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SUSTAINABLE SUPPLY CHAIN MANAGEMENT IN SMEs

A Multiple Case Study of the Food Industry

Master's Thesis
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Abstract of master's thesis

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Abstract

In recent years sustainable supply chain management (SSCM) has become an increasingly important means of managing the negative environmental and social impacts of a firm's operational activities. However, despite the fact that small and medium-sized enterprises (SMEs) make up a significant portion of the world's employment and turnover, research on sustainable supply chain management has mainly examined the topic from the perspective of large corporations. This is alarming since tackling wicked problems such as climate change necessitates the active involvement of all businesses, regardless of their size. Furthermore, the challenge and complexity of sustainable supply chain management is neither exclusive to large companies, nor can it be assumed to be exactly the same for small businesses.

Currently only two empirical studies evaluate the SSCM practices of small businesses as the focal buying firm. In order to address this sizeable research gap, this study aimed to identify the concrete practices adopted by SMEs as well as any contextual factors that frame this adoption, such as drivers and barriers. The research problem was approached through a qualitative multiple case study focusing on the processed food industry. Eight in-depth semi-structured interviews were conducted with representatives of small food businesses in Finland, Estonia, Germany, and the United Kingdom. Both data collection and analysis were guided by the conceptual framework, modified from the SSCM literature and created for the purposes of this study. Thematic coding was the primary method for identifying patterns and emergent themes in the data set.

The findings suggest that prior research does not adequately account for the unique implementation of SSCM in small businesses in the food industry. Oftentimes practices (for example supplier selection and assessment) are informal and unsystematic, regardless of the importance attributed to them within the company. Similarly, a sustainability orientation is not necessarily exhibited with distinct management policies, as in larger firms. Small businesses place more emphasis on developing long-term, trusting relationships, particularly with their strategic partners. This trust and closeness can be a substitute for advanced SSCM practices, but also imbues the businesses with bargaining power. Finally, the findings also showed that considerable differences can be found amongst small businesses according to their size; larger small businesses faced fewer resource constraints and were more likely to implement multiple practices than smaller ones.

Keywords sustainable supply chain management, SMEs, sustainable food

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Viime vuosina toimitusketjun vastuullisesta hallinnasta on tullut entistä tärkeämpi keino hallita yritysten operatiivisten toimintojen haitallisia sosiaalisia ja ympäristöllisiä vaikutuksia. Vaikka pienet ja keskisuuret yritykset edustavat merkittävää osuutta maailman työllisyydestä ja liikevaihdosta, vastuullisen toimitusketjunhallinnan tutkimus on pääsääntöisesti tarkastellut aihetta suurten korporaatioiden näkökulmasta. Tämä on huolestuttavaa, sillä "pirullisten ongelmien" kuten ilmastonmuutoksen ratkominen vaatii aktiivista osallistumista kaikilta yrityksiltä, koosta riippumatta. Vastuullisen toimitusketjunhallinnan haasteellisuus ja monimutkaisuus ei ole yksinomaan suurten yritysten asia, eikä sen voi toisaalta myöskään olettaa olevan täysin samanlaista pienille yrityksille.

Tällä hetkellä on olemassa ainoastaan kaksi empiiristä tutkimusta, joissa pienten yritysten vastuullisia toimitusketjunhallinta käytäntöjä arvioidaan niin, että pienyritys toimii keskiössä olevana ostavana yrityksenä. Vastatakseen tähän merkittävään aukkoon alan tutkimuksessa, tämän tutkimuksen tavoitteena on identifioida pienyritysten omaksumat käytänteet, sekä muut mahdollisesti samassa yhteydessä ilmenevät ajurit, esteet ja muut tekijät. Tutkimusongelmaa lähestyttiin kvalitatiivisen monitapaustutkimuksen menetelmin, prosessoidun ruokateollisuuden ollen fokuksessa. Tutkimusdata kerättiin puolistrukturoiduilla syvähaastatteluilla, joita toteutettiin kahdeksan kappaletta eri yritysten edustajien kanssa Suomesta, Virosta, Saksasta ja Englannista. Datan keräystä ja analyysiä ohjasi käsitteellinen viitekehys, joka rakennettiin tutkimusta varten kirjallisuuden pohjalta. Uusia teemoja ja samankaltaisuuksia tunnistettiin käyttäen temaattista koodausta keskeisenä aineiston analysointimetodologiana.

Tutkimustulokset osoittavat, että aiempi tutkimus ei kykene riittävän hyvin kuvaamaan pienyritysten vastuullista toimitusketjunhallintaa ruoka-alalla. Usein käytänteet, kuten toimittajien valinta ja arviointi, ovat epävirallisia ja epäsystemaattisia, huolimatta niiden tärkeydestä yrityksen sisällä. Vastuullisuuden ilmentyminen yrityksessä ei näyttäytynyt tiettyinä konkreettisina menettelytapoina, kuten on tavallisempaa suurissa yrityksissä. Pienet yritykset painottavat enemmän pitkäaikaisten ja luottavaisten suhteiden rakentamista, etenkin strategisesti tärkeiden kumppaneiden kanssa. Tämä läheisyys ja luottamus voi siten toimia korvikkeena kehittyneempien käytänteiden toimeenpanolle, ja myös tuoda pienille yrityksille enemmän neuvotteluvoimaa. Tutkimustulokset myös osoittivat, että yritysten koolla on merkitys. Isommat pienyritykset kohtasivat vähemmän resurssihaasteita ja implementoivat todennäköisemmin useampia käytänteitä, kuin pienemmät.

Avainsanat toimitusketjunhallinta, vastuullisuus, yrityksen yhteiskuntavastuu

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Key Terms

SME	Small and medium-sized enterprises	Small enterprises have a headcount of less than 50 persons and an annual turnover of less than or equal to €10 million. The respective figures for medium-sized enterprises are < 250 and ≤ € 50 million (European Commission, n.d.b).
SC	Supply chain	A set of three or more entities (organizations or individuals) directly involved in the upstream and downstream flows of products, services, finances, and/or information from a source to a customer (Mentzer et al, 2001).

SSCM	Sustainable supply chain management	The management of material, information and capital flows as well as cooperation among companies along the supply chain while taking goals from all three dimensions of sustainable development, i.e., economic, environmental and social, into account which are derived from customer and stakeholder requirements (Seuring and Muller 2008).
SCoC	Supplier code of conduct	A set of rules defining the tolerated processes and best practices applied by one's suppliers. The goal of such a code is to ensure that suppliers are providing safe working conditions, pay their workers properly and respect the environment according to the company standards (Duteil, 2017).
CSR	Corporate social responsibility	The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large (World Business Council for Sustainable Development, 1999).
	Focal company	Those companies that usually (1) rule or govern the supply chain, (2) provide the direct contact to the customer, and (3) design the product or service offered (Seuring and Muller, 2008).

1. Introduction

Since the publication of the alarming and widely disseminated IPCC (Intergovernmental Panel on Climate Change) Report in October 2018, there seems to have been a renewed urgency in highlighting the effects current production and consumption patterns are having on the environment. While citizens across the globe are considering their own personal habits, companies are facing increased pressure from both above, in the form of regulators and investors, and below from customers, to mitigate their impact (Scott, 2019). In fact, the prominent research firm Nielsen declared 2018 the year of the 'Influential Sustainable Consumer', with this trend set to continue into the next decade (Nielsen, 2018).

For companies, a key component of addressing the unsustainable practices that occur as part of their operational activities, is more considered management of the supply chain. As supply chains have grown increasingly complex owing to megatrends such as globalization and outsourcing, so has the imperative to evaluate both their environmental and social effects. In academic research this concept is commonly referred to as sustainable supply chain management. In the past two decades sustainable supply chain management, or SSCM, has moved from the fringes of research to a secure spot in the mainstream (Pagell and Shevchenko, 2014), as evidenced among other things by the rapid rise in articles in peer-reviewed journals (Touboulic and Walker, 2015). However, while there has been significant research on topics such as the drivers of and barriers to SSCM, and the concrete practices being employed, research is still mainly focused on large, multinational companies or corporations. This echoes a wider tendency to ignore small and medium size enterprises in public debates on sustainability, as well as in policymaking (Block, 2019; Bradford and Fraser, 2008) and overall media coverage.

Yet small and medium-sized businesses, or SMEs, play a substantial role in the global economy as both an employer and in terms of output. As an example, SMEs currently make up approximately 50% of turnover and 60% of employment in the food sector in Europe (FoodDrinkEurope, 2017). It's surprising then that they should be so largely overlooked in both academic research and popular discussion, especially since they are facing similar pressures as large companies to manage their supply chains sustainably (World Trade report 2016). Where SMEs are studied in academia the focus is typically either on general CSR or sustainability in the company, or the SME as an upstream supplier to other larger companies (Touboulic and Walker,

2015b; van Hoof and Thiell, 2014; Ayuso et. al, 2013; Baden et. al, 2009). Very rarely is the SME regarded as the focal company that manages their own supply chain. In fact, only two empirical studies stand out has having examined SMEs from the buyer perspective (Pederson, 2009; Ciliberti et al, 2008).

Thus, there exists a clear gap in the literature when it comes to understanding the ways that SMEs implement sustainable practices in their supply chains, the motivations or pressures driving them, and the challenges they might face. This gap has been explicitly acknowledged as many researchers have called for further inquiry into SSCM in SMEs (Kot, 2018; European Commission, 2015; Hassini et al., 2012; Walker et al, 2008; De Bakker and Nijhof, 2002) or non-industry leaders (Sajjad et al., 2015). Small companies might naturally be assumed to have differing capabilities and resources, since as Lepoutre and Heene (2006) state, they are not "little big firms". This is perhaps why some studies even specifically indicate that their findings are not applicable to smaller firms (Walker and Jones, 2012).

The purpose of this thesis is to address this sizeable research gap, and empirically examine SSCM from the perspective of small and medium-sized enterprises, taking into consideration their unique characteristics vis-à-vis larger corporations. The food industry, and processed food products more specifically, is chosen as the focal industry for the research since it is the EU's biggest manufacturing sector in terms of jobs and value-added (European Commission, n.d.a) and frequently appears in research on both SCM and SSCM. Additionally, all firms in the industry regardless of size must deal with health, safety and quality standards, which indicates a predisposition to managing the supply chain (Beske et al., 2014).

1.1 Research Objectives and Questions

This thesis seeks to further understanding of sustainable supply chain management in small and medium-sized enterprises in the food industry. The objective is to examine the concrete policies and practices that are in place at an operational level, as well as any contextual factors affecting their implementation, such as stakeholder pressures or other antecedents. On a theoretical level, the thesis also aims to assess whether the existing frameworks and research found in the literature regarding SSCM accurately apply to SMEs. More specifically, this might relate to whether there are certain practices that are missing from the literature or that necessitate more or less emphasis in regard to smaller businesses.

Overall, the goal is to address the aforementioned research gap and gain a better comprehension of the way that SSCM is implemented in SMEs in the food industry and the particular capabilities or resources that frame this implementation. In order to achieve this objective, the following research questions will need to be answered.

What SSCM practices are adopted by SMEs in the food industry?

What are the drivers and barriers for implementation?

1.2 Research Structure

This thesis is divided into six chapters. In the following chapter the theoretical basis for the research is discussed. This includes definition and development of the SSCM concept, current understanding of SMEs within the SSCM context, as well as SSCM practices. Next, the methodology of the thesis will be clarified, along with information on the focal industry and the case companies. Then the findings of the empirical research are laid out, followed by a discussion of the main results and patterns that arose from the findings. The thesis concludes with a summary of the main findings, implications and suggestions for further research.

2. Literature Review

This chapter, consisting of six sections, reviews the relevant academic literature on sustainable supply chain management. The first two sections provide background on SSCM and chart the evolution of the topic. The third section introduces the conceptual framework, which is later used to analyze the main SSCM practices in section five. Section four gives an overview of SMEs in the SSCM context, and finally the last section synthesizes the literature to create the revised conceptual model.

2.1 Defining Sustainable Supply Chain Management

In their intriguingly titled article 'Why sustainable supply chain management should have no future' (2014), authors Pagell and Shevchenko argue that while the incorporation of sustainability into traditional supply chain management has been a welcome development, in an ideal situation there would be no need for a separate discipline called sustainable supply chain management. In order to create supply chains that are truly sustainable, and not just a bit more sustainable, the authors state that all SCM research should be considered SSCM research, instead of the novelty or nice-to-have that they currently believe it to be.

While history will likely be on Pagell and Shevchenko's side, and the two disciplines will eventually converge, for now it still makes sense to understand what is meant by sustainable supply chain management specifically, considering its distinct segregation in the literature. SSCM is defined by Seuring and Muller (2008, p. 1700) as "the management of material, information and capital flows as well as cooperation among companies along the supply chain while taking goals from all three dimensions of sustainable development, i.e., economic, environmental and social, into account which are derived from customer and stakeholder requirements." This definition is popular among academics, and for good reason (found in among others: Koberg and Longoni, 2018; Dubey et al., 2017; Grimm et al., 2014; Meixell and Luoma, 2014). For one it clearly sets out the triple bottom line orientation (environmental, social, and economic), which distinguishes SSCM from traditional supply chain management (Beske and Seuring, 2014). Elkington's (1997) seminal Triple Bottom Line (TBL) framework has been widely deployed across both popular and academic literature and contends that a firm's success should be measured not only by its bottom line, but also by its social and environmental performance. Furthermore, good performance along

all three dimensions will purportedly lead to long-term economic benefits and competitive advantage, as well as having a positive impact on people and the planet. Carter and Rogers (2008) utilized this framework to conceptualize SSCM as existing at the intersection of the three aforementioned spheres in a Venn diagram, as shown in the figure below.

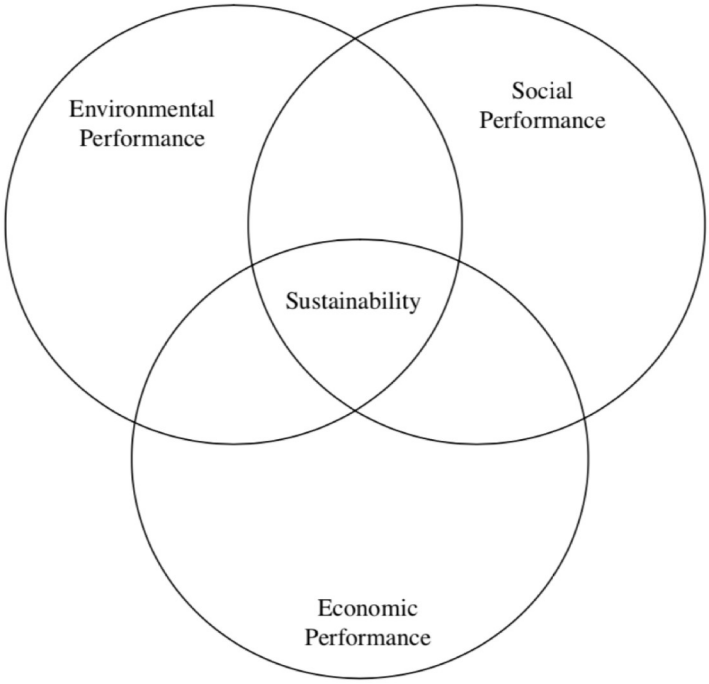

Figure 1. TBL in SSCM, Carter and Rogers (2008)

Secondly, the definition emphasizes cooperation among companies along the supply chain. Cooperation is also a key element of traditional supply chain management as the effective coordination of flows in an increasingly globalized world, as well as customer expectations of quality, timeliness, and flexibility, necessitate closer relationships (Mentzer et al, 2001). However, with SSCM companies often have to take an even longer part of the supply chain into account than they would, based on purely economic rational (Beske and Seuring, 2014; Seuring and Muller, 2008). Corporate scandals such as the Nike sweatshop scandal in the late 1990's, which ousted the company for poor working conditions at its suppliers' facilities, have highlighted the need for a broader view of the supply chain (beyond the first/second tiers) when considering environmental and social/ethical dimensions. The public, media, and other stakeholders also seem willing to hold companies to account for transgressions occurring far from the focal company in the supply chain (Hoffman et al., 2014), adding additional impetus. Other authors also underline the importance of

collaboration and the strength of relationships within the supply chain as integral to SSCM (Touboulic and Walker, 2015; Sharfman et al, 2009), hence the value of including it in the definition.

Thirdly, the definition explicitly mentions "customer and stakeholder requirements" as the source of the sustainability goals a firm undertakes. Stakeholders may include governments, NGOs, shareholders, communities, the media, and employees, among many others. While not all definitions of SSCM include an explicit mention of stakeholders (Ahi and Searcy, 2013), they should be recognized as having legitimate requirements to the supply chain's activities (Beske et al., 2014) and scholars generally accept that pressure from stakeholders is an integral driver of adopting SSCM policies and practices (Harms et al., 2013; Seuring and Muller, 2008; Banerjee, 2003). According to Meixell and Luoma (2014) stakeholders are instrumental in both raising awareness about sustainability within companies as well as influencing the adoption of specific goals. Particularly in today's political and cultural climate, and with the rise of social media, stakeholders can seemingly make or break companies and often have platforms through which to communicate their sustainability-related requirements.

Finally, the definition builds on the key elements of traditional SCM. As identified in their review of SCM definitions, Ahi and Searcy (2013) highlight the top three characteristics of SCM as being (1) flow focus, (2) coordination focus, and (3) stakeholder focus, all of which feature explicitly in Seuring and Muller's definition. Performance focus – another of the characteristics mentioned by Ahi and Searcy – is also visible in the definition. Moreover, their mention of information and capital flows in addition to material flows acknowledges the broadening of the discipline from an earlier concentration mainly on material flows (Burgess et al, 2006).

For the purposes of this thesis, Seuring and Muller's definition is also useful for understanding what SSCM is not. By including the Triple Bottom Line orientation, the authors make a clear distinction between SSCM and green supply chain management, which focuses heavily on the environmental aspect of sustainability at the exclusion of the social. To some extent the terms "sustainable" and "environmental" have been used interchangeably in the literature leading to confusion and misunderstanding, however, there seems to be a move towards a more unified equating of sustainability with the triple bottom line (Carters and Easton, 2011). There was also a tendency early on to emphasize environmental issues in research, though as time goes by there is an increasing adoption of the TBL approach, despite the fact that this entails a higher

degree of complexity (Ahi and Searcy, 2013). That being said literature reviews still indicate a clear favoritism toward the environmental lens when comparing articles that only include one or two dimensions (Ashby et al, 2012; Carters and Easton, 2011; Seuring and Muller, 2008) and even when both were discussed the emphasis was typically on environmental rather than social practices (Ashby et al, 2012). This is perhaps because the environment is viewed as something 'that can be managed [in order] to produce discrete, observable and measurable outcomes' (Banerjee, 2010 p.153), whereas the social dimension is considered more ambiguous from the corporate perspective (p.162). It may also be that corporations more readily share information about environmental gains such as C02 reductions, rather than wages or working conditions, which may be considered more contentious and sensitive. Though both green and socially sustainable supply chain management certainly have considerable overlap with SSCM, they will be excluded from the scope of this thesis as they do not conform to the triple bottom line orientation.

Other similar concepts including green/sustainable/responsible purchasing or procurement will also remain outside of the scope of this thesis. This is because purchasing is not synonymous with supply chain management, rather it can be considered an activity within SCM and thus findings may not be generalizable to SCM as a whole. On the other hand, concepts like 'responsible chain management' (De Bakker and Nijhof, 2002) and 'CSR in the supply chain' (Ayuso et al, 2013; Pederson, 2009; Ciliberti et al, 2008) are considered applicable since in reality CSR and sustainability often tend to be regarded as synonyms in the corporate context (Van Marrewijk, 2003).

2.2 Development of the Discipline

Compared to other disciplines of management and economics, SSCM is still a relatively young field of research (Brandenburg and Rebs, 2015), and it is only in the past two decades that it has been researched more extensively. The field has seen a surge of articles since 2008, whereas influential research in similar disciplines like sustainability and corporate social responsibility can be traced back to the 1970's and 80's (Touboulic and Walker, 2015a). SSCM was born from an understanding of the strategic importance of supply chain activities in the successful long-term economic performance of the firm as well as in its sustainability outcomes (Touboulic and Walker, 2015a). Originally it was the minimization of waste, a core component of SCM, that developed into the linking of environmental management with the optimization of economic performance –

what we might now refer to as green SCM (Beske and Seuring, 2014). It wasn't until the early 2000's that the field began to converge from standalone conceptions of issues like the environment and human rights, to consideration of the interrelationships among these as well as other aspects of social responsibility (Carter and Rogers, 2008). Although initially confined to specific activities within SCM such as purchasing and logistics (Drumwright, 1994; Murphy et al., 1994), the field gradually grew to encompass a more holistic view of SCM as well as the aforementioned environmental-social-economic "triple bottom line" approach. SSCM has strong links to corporate sustainability and might in fact be considered as falling under its umbrella. The term emerged following the Brundtland Report of 1987, which presented the results of the work conducted by the World Commission on the Environment and Development, including the classic definition for sustainability as, "development which meets the needs of the present without compromising the ability of future generations to meet their own needs" (p.8).

SSCM has garnered criticism for its apparent lack of theoretical basis (Touboulic and Walker, 2015a; Carter & Easton, 2011; Mollenkofp et al., 2009; Carter & Rogers, 2008) with approximately half of articles displaying no theoretical framing (Quarshie et al., 2016). Research tends to be atheoretical, or lean on a few popular theories, whereas Carter and Easton (2011) believe a more diverse utilization of theory could provide novel insights into the field. The perceived overrepresentation of descriptive research has even led some academics to call the field immature and conceptually underdeveloped (Hoejmose and Adrien-Kirby, 2012 p. 235). Currently the field is dominated by so-called macro theories, which take a strategic and organizational rather than individual or behavioral perspective. Touboulic and Walker (2015a) speculate that this may be because of the field's evolution from SCM, which also tends to take quite a macro approach.

As it stands the most prevalent theories used in SSCM research are the resource-based view (RBV) and stakeholder theory (Quarshie et al., 2016; Touboulic and Walker, 2015a; Meixell and Luoma, 2014). RBV looks at the valuable, rare, inimitable, non-substitutable resources that a firm possesses and the way these are utilized to gain competitive advantage (Barney, 1991). In the context of SSCM this refers to the unique sustainability-related competences in the firm's supply chain (Touboulic and Walker, 2015a). Closely related to and building on RBV is the dynamics capabilities theory, which is also popular in the literature. Dynamic capabilities can be defined as "the capacity of an organization to purposefully create, extend, or modify its resource base" in order to reach higher economic value than its competitors in changing markets (Helfat et al., 2009).

Stakeholder theory on the other hand views the firm not as a set of resources, but rather as a network of stakeholders, in which their inclusion into the actions of the firm is the key to long-term survival and success (Freeman, 1984). The theory is normative in the sense that it suggests there should be a fit between the "values of the corporation and its managers, the expectations of stakeholders and the societal issues which will determine the ability of the firm to sell its products" (Freeman, 1984 p. 107). Stakeholder theory is typically used to analyze the pressures emanating from stakeholders as well as responsibilities towards them (Meixell and Luoma, 2014; Park-Poaps and Rees, 2010), whereas RBV and its related theories looks more at the performance outcomes of SSCM (Paulraj, 2011; Gold et al., 2010) (Touboulic and Walker, 2015a).

SSCM is frequently viewed through an economic lens, which would seem to make sense given its place in the management sciences and its origin in SCM. This perspective can commonly be seen in the emphasis on concepts like competitive advantage and risk management, which either grow or shield the bottom line. According to Brockhaus et al. (2013), there is a general consensus amongst SCM researchers that companies can create competitive advantage through sustainability-focused SC activities, this being particularly evident in the resource-based and dynamic capabilities views. However, there is some contention in how the economic dimension is regarded as Carter and Easton (2011) declare there to be a lack of explicit incorporation of economic performance into responsibility frameworks, whereas Pagell and Shevchenko (2014) conversely believe the field to be distorted in favor of profit maximization and economically beneficial practices. They elaborate that the "focus on profits may cause researchers to miss critical new practices since the set of practices that have positive economic and noneconomic impacts on chain performance will always be smaller than the set of practices that may improve some but not all of the triple bottom line". Profit as the ultimate, if implicit, determinant of SSCM success does seem to recur in much of the literature.

Another key characteristic in the development of the discipline has been its blatant focus on larger companies, or corporations. Indeed, the term corporate social responsibility, often used interchangeably with sustainability in SSCM literature, indicates in itself a focus on larger organizations (Pederson, 2009). The large buyer firm has typically been the favored unit of analysis (Touboulic and Walker, 2015a) and even when corporations are not mentioned explicitly, terms like "shareholders" and "top management" signal to the reader the size of the companies in question. This focus on large companies has also led to quite a top-down approach to SSCM, where

practices such as codes of conduct, not typically used by SMEs, are emphasized (Touboulic and Walker, 2015a; 2015b). As mentioned, there have been considerable calls for more research on SMEs as currently there appears to be a dearth of studies in the field (Kot, 2018; European Commission, 2015; Hassini et al., 2012; Walker et al, 2008; De Bakker and Nijhof, 2002).

Finally, looking beyond the theory, Brockhaus et al. (2013) find that the majority of reviewed SSCM articles conclude that in practice SSCM implementation is fairly low. Pagell and Wu (2009) also assert that no supply chain that meets the criteria of "truly sustainable" exists today. A disheartening study by Albino et al. (2009) found that SSCM was actually the least employed sustainability strategy across companies in the Dow Jones Sustainability World Index, while internally focused energy efficiency initiatives were the most popular initiative. This could be seen to reflect much of what is published in the media, where the sustainability highlights of large companies like Tesco are often seemingly confined to e.g. more energy efficient lighting or renewables (Johnston, 2017).

2.3 Conceptualizing SSCM

The conceptual framework that will be used as the theoretical basis for this thesis was developed by Beske and Seuring (2014). It is also the starting point for categorizing and analyzing the different SSCM practices that companies can employ in their supply chain. According to the authors the framework (see Figure 2. below) is intended as a more operational rather than theoretical framework, which suits the purpose of this thesis as the intention for the empirical research is to identify the concrete practices in use in the case companies.

The framework tries to conceptualize how sustainable performance can be achieved through SCM, by looking at the strategic values, supply chain structure, and processes of the firm. Within these three meta categories, one can find firm orientation, continuity, collaboration, risk management, and proactivity. Furthermore, these categories include distinct practices, which are considered the operational implementation of the goals of each category (Beske and Seuring, 2014). The authors accept that the majority of practices, with the exception of stakeholder management and life cycle assessment, are not unique, but rather illustrate the fact that SSCM is a theoretical and practical broadening of SCM. Many practices may thus also be integral to SCM, but featured more prominently in SSCM, or naturally have a different end goal.

igure 1 Sustainable supply chain management categories and practices

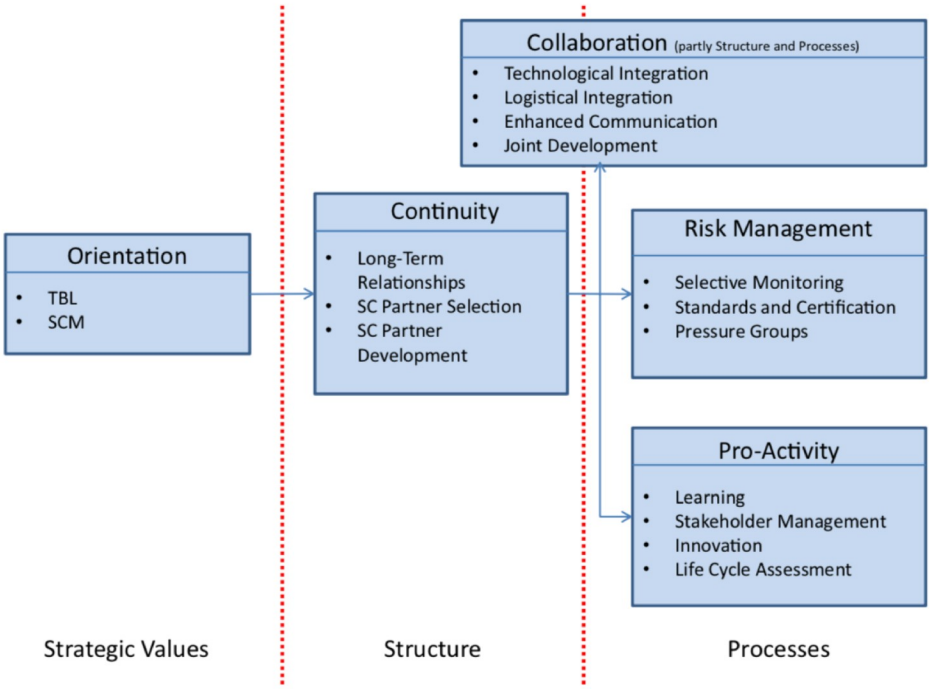

Figure 2. Sustainable supply chain categories and practices, Beske and Seuring (2014)

Taking a closer look at the framework, strategic values and orientation refer quite simply to the mindset of the company and how its outlook is integrated into the strategy and strategy formulation of the company. This is of critical importance since on their own many of the practices will not have the intended sustainable outcome, rather they need to be coupled with a particular orientation. For example, "Enhanced Communication" and "SC Partner Selection must be aligned with a strategy for sustainability in order to contribute to sustainability performance (Beske and Seuring, 2014). In the framework both a triple bottom line as well SCM orientation are included as antecedents for adopting the subsequent practices. The latter is likely included as it has been argued that a supply chain that performs well in traditional operational metrics will facilitate efforts at sustainability (Pagell and Wu, 2009).

Next is structure, which consists of continuity and collaboration. As the name suggests this second stage is where the structure of the supply chain is set up, or more specifically the way that different partners work together is determined. Inclusion of the continuity category entails the assumption that a continuous, long-term, trusting relationship that is mutually beneficial for all participants is key to the sustainability performance of the focal firm. This norm is exhibited by practices such as partner selection and development, as well as long-term relationship building.

Closely related to continuity is collaboration, which is situated both in the structural and operational (process) categories since organizational, logistical, and technological structures are needed in order to enable collaboration to exist in the first place, yet collaboration is ultimately achieved at the operational level. Collaboration is a step further from cooperation and presumes the elements of trust and longevity already mentioned in the continuity category. Essentially, collaboration is where many of the sustainable outcomes of the supply chain are actually realized (Gimenez and Tachizawa, 2012), as illustrated by practices such as enhanced communication and joint development, which facilitate information sharing and the development of products.

Also, in the process categories are risk management and proactivity. The inclusion of risk management is built on the belief that companies engaging in sustainability and implementing SSCM practices are vulnerable to different and potentially even higher risks than those engaging merely in SCM (Beske and Seuring, 2014). Additionally, environmental/social risk reduction is often seen as one of the primary drivers for SSCM. Companies can selectively monitor their individual suppliers through audits and company visits and use standards and certifications more generally to target a broader range of stakeholders. Overall the highly demanding endeavor of monitoring environmental and social issues at the supplier, and sometimes even customer level, is one of the key elements that sets SSCM apart from SCM. Finally, proactivity is included owing to the presumption that simply by engaging in sustainability practices, companies can be considered proactive (Pagell and Wu, 2009). This is tied to the idea that these firms are "walking a new path" and thus need to develop new technologies and methodologies (Beske and Seuring, 2014). By managing and collaborating with their various stakeholders, companies can learn and innovate, ideally taking the full life cycle of their product into consideration already at the design/development stage.

While split into five distinct categories, the conceptual model does also have considerable overlap, and could be contended at points. Through careful partner selection and the development of long-term relationships, companies are also undertaking risk management and not just continuity. Enhanced communication with the goal of increased transparency and certainty is also undoubtedly a risk management practice in addition to collaboration, as is the management of stakeholders mentioned in the proactivity category. Thus, this raises the question of whether risk management merits its own category of practices or whether it might be more appropriately considered a type of motivator or mediating factor in the model. Similarly, proactivity may be

deemed a strategic value/orientation rather than a category of practices, as is the case with authors such as Pagell and Wu (2009) and Paulraj (2011) whom regard "innovation capability" and "entrepreneurship" (both entail proactivity) as orientations in their conceptualizations of SSCM. The practice of stakeholder management in the category could easily fall under collaboration and learning and innovation might be considered "practices" that occur throughout all spheres of the model (inter-organizational learning is in fact referred to as the key value of collaboration), quickly making the proactivity category redundant. Additionally, the line between the continuity and collaboration categories is not always clear cut as both serve to increase trust and longevity within the supply chain. As a model focused purely on concrete practices there is also an absence of motivators, pressures, or incentives regulating the adoption of practices. However, while the conceptual model is not perfect, and many academics might see things differently, it will be used as a starting point for understanding the various practices within SSCM and developed further to better suit the purposes of this thesis.

2.4 SMEs

Before exploring SSCM practices in more detail, it is important to gain a deeper understanding of SMEs in the context of sustainable supply chain management. In this way concrete practices and policies can also be viewed and analyzed from the perspective of smaller businesses. SMEs, or small and medium-sized enterprises, are defined by the European Commission (n.d.b) as businesses that have less than 50 employees and an annual turnover of less than 10 million euros (small), or less than 250 employees with an annual turnover of less than 50 million euros (medium). SMEs actually account for 99% of all businesses in the EU, and as mentioned in the introduction they make up approximately 50% of turnover and 60% of employment in the food sector in Europe (FoodDrinkEurope, 2017). While SMEs may mostly fly under the radar, for example in regard to media coverage (Jenkins, 2006), aggregately they have a significant impact on the economy, as well as the environment and society. In fact, it has been estimated that SMEs account for around 60% of carbon dioxide emissions in the UK (Marshall Report, 1998) and even 70% of global pollution (Hillary, 2000). Yet, their impact is still often underestimated, both by SMEs themselves (Bradford and Fraser, 2008; Ciliberti et al., 2008; Hillary, 2000) and the wider public. For example, a 2002 survey of 1000 SMEs in the UK found that 86% of respondents believed that they did not

have an impact on the environment, despite acknowledging specific hazardous activities when later prompted (Revell and Blackburn, 2007).

While SMEs are frequently referred to as a homogenous collective whole, with the defining characteristic being size (Wilkinson, 1999), they are in truth very heterogeneous and their behavior is influenced by varying factors (Lepoutre and Heene, 2006). Differences can occur across sectors and between size categories within the SME population (Morrissey and Pittaway, 2006) as well as a host of other dimensions. Regardless of this diversity, there is still an abundance of literature theorizing about the most common characteristics that SMEs portray. SMEs are often described as having limited resources and cash flow, few customers, being engaged in "fire-fighting", and employing a more short-term rather than strategic focus (Hudson et al., 2001 cited in Parker et al., 2009 p. 279). They purportedly lack the tools (Studer et al., 2006), capital (Ciliberti et al., 2008), knowledge/information (Kechiche and Soparnot, 2012), and sometimes even interest (Hillary, 2000) to implement sustainable measures. Considerable emphasis in the literature is placed on the owner-manager and firm behavior may even be explained by his or her personal psychological characteristics (Jenkins, 2006). Related to this, SMEs are often considered to lack formal management structures (Bolton, 1971) and operate in a non-hierarchical manner (Hudson et al., 2001) with a focus on the more immediate community or locality (Laudal, 2011; Ciliberti et al., 2008). Owing to their size they are also assumed to have limited bargaining power with their suppliers or other stakeholders (Ciliberti et al., 2008; Jenkins, 2004) implying that they wield minimal influence. Perhaps surprisingly, a lack of empathy and even distrust of regulation and bureaucracy was also identified in the literature (Tilley, 2000; Petts et al, 1999), coupled with the somewhat paradoxical belief that governments should take the lead on sustainability issues through legislative action (Revell and Blackburn, 2005).

For the most part SMEs are regarded in the literature as being less sustainable or sustainably minded than larger firms (Walker and Jones, 2012; Walker et al., 2008; Pagell et al, 2004) owing to the particular characteristics described above. There are even studies showing that within the SME categorization, larger SMEs are more likely to manage their supply chains sustainably than smaller SMEs (Pederson, 2009). Where SMEs are considered sustainable they are frequently referred to as "vulnerably compliant", i.e. compliance with environmental or social standards is more an outcome of good luck rather than good judgement on the part of the firm (Ciliberti et al., 2008; Petts et al., 1999), or they are inherently sustainable "without knowing it"

(Lepoutre and Heene, 2006). Drawing on the owner-manager focus, a sustainability-orientation is often explained as emanating from the personal motivations or values of the owner (Murillo and Lozano, 2006), rather than from a business case as presumed with larger corporations. This is in part because it is assumed that SMEs on the one hand receive little pressure from external stakeholders such as customers or suppliers regarding their sustainability performance (Ciliberti et al., 2008; Hillary, 2000), and on the other have limited capability to communicate the activities in which they are involved to those stakeholders (Ciliberti et al., 2008), presumably limiting the building of a business case.

Interestingly, while it is widely acknowledged that SMEs face many significant barriers, there is also frequent mention of the peculiar characteristics that may render SMEs conducive to sustainable management of the supply chain. Namely the flexibility that comes with a smaller size as well as an entrepreneurial mindset that is favorable to proactive and innovative behavior (Pagell and Wu, 2009). These will be discussed further in the SSCM practices section on entrepreneurship. Overall, there is also evidence to suggest that some findings around SME sustainability may be outdated. In a cross-sectoral study of 220 UK SMEs, Revell et al. (2010) found that owner-managers recognized that it was also their responsibility to help solve environmental problems, and they were actively involved in implementing practices. Motives were based not only on the "push" of legislation, but the "pull" of cost savings, new customers, and good publicity, suggesting that SMEs may be coming around to the business case for sustainability. The authors also mentioned that the unprecedented levels of media attention in the UK on issues such as climate change were reverberating throughout the small business community.

While no empirical research in the context of SSCM was found, there is also reason to believe that the wide proliferation of social media platforms has increased SME interaction with customers, which may serve as additional external stakeholder pressure. Atanassova and Clark (2015) explain that social media is in many ways suitable to SMEs as it is inexpensive, easy to implement, requires limited technological knowledge, and is adaptable to the types of personal networking and relationship building approaches already practiced by SMEs. Moreover, it can help small businesses overcome the restrictions that their limited partners and geographic location may impose (Barnes et al., 2012). Against this backdrop it is questionable whether SMEs still remain largely invisible and insulated from the external pressures emanating from the media/NGOs/communities, as was postulated by Jenkins (2006, 2004). There may be considerable

difference between SMEs as suppliers of larger companies and SMEs as focal companies, buyers, or consumer-facing brands, as was also observed by Bowen (2000) who considered the size-visibility relationship to be moderated by the type of business and the community context. Rarely, if ever, are these types of distinctions made in the literature.

There has been some criticism that SMEs are being unfairly judged in the SSCM literature, without a rigorous understanding of their practices (Morrisey and Pittaway, 2006). As mentioned, only two empirical SSCM studies with SMEs as the focal buying organization have been identified, meaning this could very well be the case. As of yet, literature on SMEs is still largely focused on generic CSR, with extrapolations being made to SSCM.

2.5 SSCM Practices

The next section explores the concrete SSCM practices found in the literature.

2.5.1 Drivers

While the pressures or motivators for adopting SSCM practices are not covered explicitly in the conceptual model by Beske and Seuring (2014), there is still a case for examining them in the thesis as there is a general consensus in the literature that the drive to adopt SSCM emanates from distinct internal and external sources (Harms et al., 2013; Seuring and Muller, 2008; Banerjee, 2003). The strategic values of a company and its orientation are not conceived in a vacuum, but rather are the result of a myriad of factors. Scholars typically divide said factors, or sustainability motivators/drivers, into internal and external motivators (Sajjad et al., 2015; Walker et al., 2008), with internal motivators being further divided into instrumental and normative motivators. Instrumental rationality regards the firm as a vessel for wealth creation and CSR as a strategic tool for promoting the company's economic objectives. Corresponding motivators for SSCM might include for example cost reduction, efficiency gains or risk management (Sajjad et al., 2015). Internal normative motivators on the other hand arise from the ethical or moral considerations of the owners, managers, or employees of the firm and would tend to include value-based orientations such as integrity or a concern for the well-being of the planet or community (Sajjad et al., 2015).

External motivators are closely linked to stakeholder theory and stakeholder management with pressures arising from various sources such as governments, customers, NGOs, and competitors. Chkanikova and Mont (2012) developed a useful categorization for these motivators

based on a taxonomy of institutional factors originally suggested by Hoffmann (2000). In the figure below external drivers are divided into resource, regulatory, market, and social factors. Here factors like customer demands, government legislation, competitive advantage and civil society pressure, like the campaign against Nestle by Greenpeace for sourcing unsustainable palm oil (Wolf, 2014), would all fall under the umbrella of external motivators/drivers. Not all scholars would strictly agree with taxonomy however, as Walker at al. (2008) consider investors and shareholders an internal motivator, while competitive advantage is viewed by Sajjad et al. (2015) as an instrumental internal motivator.

To further account for the fact that not all motivators are created equal in all circumstances, Chkanikova and Mont borrowed from stakeholder theory (Mitchell et al., 1997) and the concept of salience to account for differences. The three aspects of salience – legitimacy (validity of claims), urgency (degree of pressure), and power (degree of power/dominance) – define the criticality of sustainability demands and thus the likelihood that they will translate into sustainability initiatives. This is closely related to the findings of Meixell and Luoma (2014) who concluded in their study that stakeholder pressure may result in either simple awareness of sustainability, adoption of sustainability goals, or actual implementation of sustainability practices, and that different types of stakeholders seem to have dissimilar influence on SSCM decisions.

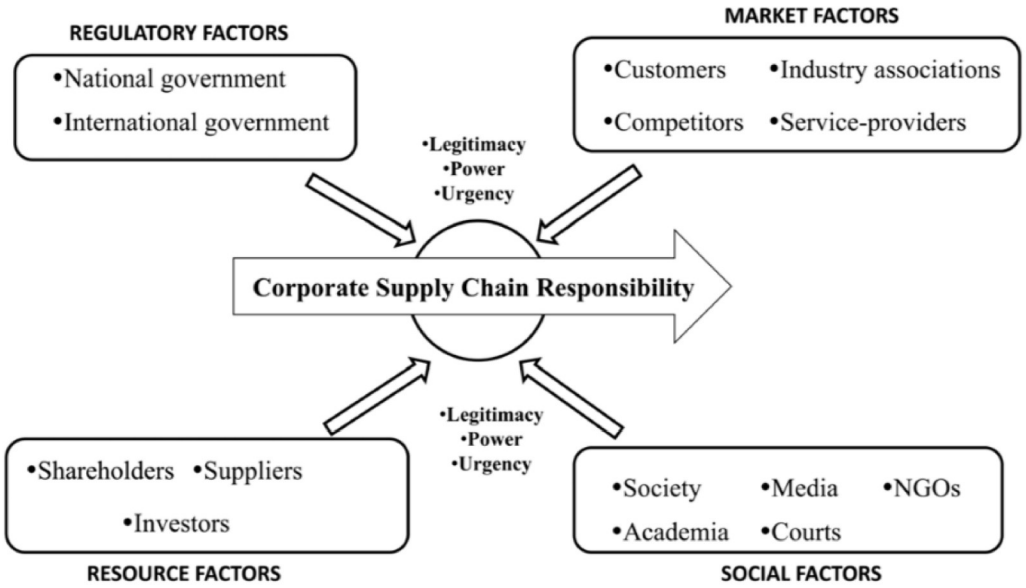

Figure 3. Drivers and moderators of corporate supply chain responsibility, Chkanikova and Mont (2015)

External and internal and instrumental and normative motivators are by no means mutually exclusive and the impetus to adopt SSCM policies can arise from any combination of triggers. For example, in a study of New Zealand companies conducted by Sajjad et al. (2015), managers reported that managerial sustainability values were a key part of SSCM introduction and implementation, yet they also recognized the importance of SSCM as a strong risk management strategy. Generally, there seems to be little consensus in the literature regarding the importance or influence of external versus internal motivators, particularly in regards to performance outcomes (Meixell and Luoma, 2014), although Walker et al. (2008) do suggest in their literature review that there are more studies identifying external rather than internal drivers. Part of the difficulty of generalizing may be that some factors, particularly internal normative ones like personal attitudes, can be difficult to investigate since reported attitudes may not actually translate into concrete outcomes (Cassells and Lewis, 2011). In fact, the common success factors used to measure SSCM outcomes such as cost reductions or customer loyalty rates (Wittstruck and Teuteberg, 2012) are often derived from more economic drivers, and may thus inadvertently ignore those driving factors which are more difficult to measure.

In the case of SMEs however, the dogma that normative internal motivators are paramount is consistently circulated throughout the literature. Noticeable emphasis is placed especially on the values and beliefs of the owner-manager of the firm as the primary determinant of the types of sustainability policies and practices undertaken (Cassells and Lewis, 2011; Ciliberti et al., 2008; Jenkins, 2006; 2004; Murillo and Lozano, 2006). Yet some studies, like the one conducted by Pederson (2009) have indicated that internal normative motives do not seem to correlate directly with the likelihood of sustainable practices in the supply chain, rather SSCM can be the result of either deeply held values or narrow economic interest. This echoes the aforementioned research of Cassells and Lewis (2011) who found in their literature review that SME owners' positive attitudes towards the environment did not always turn into environmentally responsible practices, challenging their primacy as a driving force. Lepoutre and Heene (2006) also argued that the norms and pressures from peers, the community, and local business culture surpass and can even supplant the values of the small business owner. Similarly contested is the impact of customers as external motivators. Hall (2001) and Studer et al. (2005) found that small businesses were especially under pressure from their customers, yet Ciliberti et al. (2008) and Hillary (2004;2017/2000) found the opposite to be true with consumer behavior considered a non-influential driver. The contradictory

nature of current research (contestations can be found for numerous other factors), makes it undoubtedly difficult to draw any substantive conclusions from the literature on the importance of certain drivers over others. This highlights why a model such as Chkanikova and Mont's is useful for internalizing the moderating role that saliency and other factors can have on SSCM drivers on a case-by-case basis.

2.5.2 Strategic Values

In Beske and Seuring's conceptual model the first category, strategic values, refers to the orientation of the firm, or in other words, the antecedents imperative for engaging in SSCM practices. As described in the previous section, different motivators or drivers may trigger sustainability awareness, but a different set of circumstances are needed to translate awareness to adoption of goals or implementation of practices (Meixell and Luoma, 2014; De Bakker and Nijhof, 2002). For example, government legislation, often considered a key driver of SSCM practices, is no guarantee for improved sustainability performance as subsequent firm behavior can be purely reactive (Walker et al., 2008). However, coupled with a TBL, proactive orientation, legislation can be a great catalyst for outstanding sustainability performance.

While a general awareness of sustainability likely exists in most if not all companies today, the difference between the "reactive" company and the company that takes the effort of transforming its supply chain, is sustainability or TBL as a core value (Beske and Seuring, 2014). Pagell and Wu (2009) view this as a type of integration where sustainability goals, practices, and cognitions are linked to SCM and sustainability becomes a part of everyone's job as well as a daily conversation, not just something that happens in a separate entity. On a tangible level this means having written policies, sustainability training for employees, performance management, and relevant rewards and incentives, among other things (Gimenez and Tachizawa, 2012; Pagell and Wu, 2009). Sustainability also needs to be a core, explicit part of the company's strategy and not something that is added on later or managed independently (Carter and Rogers, 2008). If sustainability is purely a business case (and not a value in and of itself), it can be difficult to find the impetus to go further once the low-hanging fruit have been harvested (Banerjee, 2008). A key factor in ensuring TBL orientation is top management involvement and buy-in (Pagell and Wu, 2009; Seuring and Muller, 2008), with management commitment to sustainability being especially

crucial in SMEs where a single manager/owner is in control of the company's resources and strategy (Pederson, 2009).

The second strategic value mentioned in the conceptual model is an SCM orientation. This is not surprising considering SSCM originally emanated from recognition of the importance of SCM activities in achieving long-term performance as well as in addressing sustainability issues with business capabilities (Touboulic and Walker, 2015a). As with the TBL orientation, the idea is to include supply chain thinking and goals in all decisions – even those not directly impacting the supply chain (Beske and Seuring, 2014; Beske et al., 2014). As mentioned previously, it has been argued that a supply chain that performs well in traditional operational metrics will facilitate efforts at sustainability (Pagell and Wu, 2009). In their study of Greek SMEs in the food industry, Bourlakis et al. (2014) found a strong connection between SCM and sustainability performance. This is because many key elements of SCM such as waste reduction, resource efficiency, and process-centricity can be considered complementary to especially environmental sustainability goals (Martínez-Jurado and Moyano-Fuentes, 2014). Additionally, the majority of a product's environmental and social impact comes from the supply chain, making it critical to understand how to manage it successfully. Under the umbrella of an SCM orientation, and also mentioned in the literature as an antecedent, is a strategic sourcing focus. When a firm has well-developed, strategically oriented sourcing skills it can identify, evaluate, manage, and develop suppliers conducive to its long-term sustainability goals (Hollos et al., 2012; Paulraj, 2011). The SCM/strategic sourcing orientation is closely linked to the RBV (resource-based view) and DC (dynamic capabilities) theories as they suggest that competitive advantage and sustainability performance can be gained through unique competencies in the supply chain (Touboulic and Walker, 2015a). Overall, the antecedents to SSCM could also be understood as firm-specific capabilities (Paulraj, 2011).

Finally, the third strategic value or orientation could be referred to alternatively as entrepreneurship, "enviropreneurship", innovation, learning, or proactiveness. Although not a part of the strategic values in the conceptual model (proactivity is considered a process category), since this factor appears so frequently in the literature as an antecedent, and is highly relevant to SMEs, it deserves a mention. Enviropreneurship can be described as an entrepreneurial orientation to sustainability, whereby firms are capable of tackling challenges and opportunities with a high degree of proactiveness, risk propensity, and innovation (Paulraj, 2011). This ability to be

innovative and proactive has been linked to sustainability performance, with firms being more likely to explore new, creative ways of solving sustainability challenges (Pagell and Wu, 2009; Sharfman et al., 2009). Klassen and Vereecke (2012) were also surprised to identify innovation capability as one of the key enablers of socially sustainable supply chain management in their fieldwork. Enviropreneurship has been linked to smaller firms as they are likely to exhibit entrepreneurial qualities owing to their size and structure. These entrepreneurial qualities can then be useful in finding opportunities, acquiring necessary resources, and engaging stakeholders (Lepoutre and Heene, 2006). Paulraj (2011) also suggested that enviropreneurship pays little attention to the resources at the firm's disposal and can thus enable firms to see beyond the confines of their limited resources. Similarly, it may enable small firms to successfully redefine their businesses and carve out competitive niches within the sustainability context (Pagell and Wu, 2009). It may however be that entrepreneurship as an antecedent is only relevant in certain situations. Marshall et al., (2015) found in their research that entrepreneurship as a strategic value or orientation was only necessary for the more advanced practices that lead to radical innovation or new markets, as opposed to basic monitoring and management. Summing up their thesis, they state: "So, while a sustainability culture provides a valuable foundation for all practices, when combined with an entrepreneurial orientation, firms are likely to influence other supply chain members' social sustainability practices and embrace new product and process development and strategy redefinition around social issues." Given that the current problems of our time do undoubtedly necessitate more radical and novel thinking to solve, it could be assumed that entrepreneurship/innovation/proactivity is in fact an important strategic value.

2.5.3 Structure

Following the drivers and strategic values that enable SSCM is the actual set-up of the supply chain structure. In the conceptual model this category includes two concepts referred to as continuity and collaboration. Additionally, a third concept recognized by Pagell and Wu (2009) and Beske (2012) called reconceptualizing the supply chain can be identified in the literature.

Reconceptualizing the supply chain refers perhaps to more large-scale, radical change than what can be inferred from the continuity or collaboration categories. The central tenet is a reconsideration of what the chain does, who is in the chain, and how success is measured (Pagell and Wu, 2009). This might include a redesign of products and services, new reverse logistics and

circular economy processes, or an entire shift in company strategy. The supply chain might also expand to include actors like NGOs, competitors, or community members that were previously ignored or treated like adversaries (Pagell and Wu, 2009). As an illustrative example of strategic reconceptualization, in the late 1990's global carpet maker Interface transitioned from its petrol-intensive, unsustainable business to a near closed-loop process that made carpets out of, among other things, corn (Lovins, 2018). Reconceptualization is especially important today as environmental and social issues intensify. In a survey conducted by the consulting firm Bain & Company, 90% of companies felt that they needed to change their core business model at least somewhat in order to operate in a truly sustainable economy, while a staggering 38% felt that their core business model needed to undergo radical change (Davis-Peccoud et al., 2018).

The next category is continuity, which to put it simply could be described as the long-term pursuit of win-win situations in the supply chain (Seuring and Muller, 2008). By striving for success and profits across the whole supply chain, and not just the focal firm, firms can create working relationships based on trust and mutual benefit, i.e. partnerships rather than competitive relationships (Sharfman, 2009). This is important because long-term, trusting supplier relationships reduce both uncertainty and transaction costs (Gold et al., 2010) and have been associated with overall competitive advantage and higher performance (Fynes et al., 2008). In fact, the depth and quality of the relationship between a firm and its suppliers is considered by Touboulic and Walker (2015b) to be the most commonly cited facilitator of SSCM. Additionally, commitment and trust encourage firms to resist short-term alternatives in favor of the expected benefits from long-term relationships and allow for more risk-taking safe in the belief that partners will not act opportunistically (Morgan and Hunt, 1994). Trust and commitment are especially important in regard to SMEs as they can be considered a supplement for power. By placing suppliers in high regard in terms of strategic value and relative volume, SMEs can circumvent some of the negative factors associated with their small size, such as lack of clout (Morrissey and Pittaway, 2006).

In the conceptual model, the concrete practices mentioned under continuity are supplier selection, supplier development, and long-term relationships. Supplier selection has been linked to an overall reduction in supply base and a focus on key relationships. Notably, scholars have found a positive relationship between the environmental performance of the supply chain and a reduced supplier base (Gimenez and Tachizawa, 2012), albeit this entails the risk of higher

dependability on fewer suppliers (Beske and Seuring, 2014). Although no research data could be found, this might be considered a positive indicator for SMEs as they are more likely to work with a small number of suppliers. As mentioned previously, supplier selection requires advanced capabilities within the focal firm that enable it to successfully identify suppliers conducive to its goals. Supplier development as the term suggests focuses on developing the capabilities of chosen suppliers in order to achieve a certain goal or output. Often supplier developments are necessary before focal companies are even able to offer sustainable products to their customers (Seuring and Muller, 2008). This could be related for example to production facility or process enhancements needed to obtain a certain environmental standard. With supplier development the aim should be an overall improvement of capabilities rather than a one-time performance improvement (Wilding et al., 2012). This does however pave the way for at least perceived free-rider problems since typically the focal company extending the training and performance improvement investments will be purchasing less than 10% of the supplier's total output (Seuring and Muller, 2008). Consequently, improved conditions at the supplier's site can be understood as common resources and other buying organizations will be able to benefit from these efforts. If the focal company should decide to change suppliers at some point, its investments would be considered a sunk cost (Harms et al., 2013), further highlighting the importance of supplier selection and long-term relationships.

The third element of structure is collaboration, although it should be repeated that it is included in both the structure and process categories. Collaboration entails direct contact with the supplier and includes such practices as logistical and technological integration (e.g. joint IT infrastructure) that would fall under the structure category, and joint development and enhanced communication, which might be considered more process-oriented practices (e.g. interorganizational meetings). Collaboration is especially significant, and it has been argued that it is "the only way for companies to improve the competitiveness of the chain while reducing environmental burdens" (Seuring, 2004 p.1059). Like continuity, it has been linked to better sustainability performance, competitive advantage (Vachon and Klassen, 2006), and a reduction in costs and uncertainty (Carter and Rogers, 2008). Interestingly, a high degree of integration is associated with a reduction in the level of activities needed to control and assess the supplier's behavior (Vachon and Klassen, 2006), which might go some way in explaining the reduced costs and uncertainty. Collaboration is generally also long-term oriented and based on relationships of

trust, owing in part to its critical role in knowledge and information transfer (Beske and Seuring, 2014). Particularly in the case of joint development, knowledge transfer is critical as it may often be the case that detailed information about components, ingredients, and working conditions lies with the supplier (Beske and Seuring, 2014).

Collaboration is typically juxtaposed with more 'coercive' behavior, such as compliance and assessment, in the literature and studies have shown that a collaborative approach is more effective when considering sustainability performance (Youn et al., 2013; Vachon and Klassen, 2006; Simpson and Power, 2005). Gimenez and Tachizawa (2012) found in their study that while assessment might have been easier to implement, firms needed to engage in collaborative practices in order to truly improve their environmental and social performance. For example, when clothing wear company Nudie Jeans tried to implement their new transparency policy with suppliers (all suppliers should disclose environmental and social sustainability information as well as their sub-suppliers), the top-down approach backfired when several suppliers felt ambushed and refused to cooperate. Nudie hadn't involved suppliers in the process and gave little heads-up information about their new vision (Egels-Zandén et al., 2015). Often in less trustful relationships, suppliers will fear the possibility of focal companies bypassing them to source directly from their sub-suppliers (Grimm et al., 2014), hence the apprehension. Unfortunately, collaboration as a strategy may not always be so clear cut for SMEs, however. Mudambi et al. (2004) found that size asymmetry was in fact a decisive factor affecting the level of cooperation smaller purchasers could expect from their larger supplier, and ultimately larger suppliers could dictate the level of closeness they wanted in the relationship. Grimm et al.'s (2014) study also found that suppliers were more likely to respond to a buyer's request if they felt dependent on the buying firm owing to their demand volume.

2.5.4 Processes

The final category in the conceptual model is processes, which refers to the more operational practices that are geared towards achieving concrete sustainability outcomes in the chain. As mentioned in the previous section, some collaborative practices such as enhanced communication would be included in this category. In addition, the authors Beske and Seuring have chosen to include two sub-categories titled risk management and proactivity. Risk management could also be referred to as assessment, governance, or performance management. As discussed previously,

risk management can be considered a key motivating driver of SSCM, hence its suitability as a process category title is questionable since practices can have other more normative purposes beyond the rather economical risk management. Nonetheless the category includes such practices as selective monitoring, standards and certifications, and management of pressure groups which will be discussed next.

In general assessment practices can be defined based on (a) who defines the practice and (b) whether environmental and social production standards are defined (Thorlakson et al., 2018). This classification results in three main distinct practices, namely an internal supplier code of conduct or standard, external certifications, and interventions or selective monitoring, sometimes referred to as internal audits. Supplier codes of conduct, where the focal company defines their own standards (often as a condition for doing business) are by far the most popular. In their survey of 449 companies in the food, wood and textile sectors Thorlakson et al. (2018) found that 40% of companies had a code of conduct with environmental and/or social elements included, more than for other assessment practices. Furthermore, codes of conduct were actually found to enable other practices as 80% of companies that adopted another practice were found to have a code of conduct in place. Codes of conduct have however been criticized for being high-level, lofty policy statements without specific content (Sethi, 2002; Utting, 2000), making it difficult to verify whether suppliers are in compliance. Pederson and Andersen (2006) also believe them to be characterized by a lack of efficient monitoring systems and difficulty of enforcement. For example, contract termination may not be a credible threat if the buyer is dependent on the supplier's products and services – an important point to note for SMEs. Interestingly, SMEs rarely have codified environmental or social policies (Williams and Schaefer, 2013), which may be due to this lack of clout. Codes of conduct might also entail a lack of credibility in the eyes of stakeholders, particularly if there is limited or internal monitoring. For this reason, IKEA, considered an exemplar of code of conduct use, and others have their suppliers third-party audited for code compliance (Lebaron and Lister, 2015; Pederson and Andersen, 2006). Typically, codes of conduct are considered internal, contractual tools, but larger companies with the means can also create their own "branded", consumer-facing standards. In fact, prominent multinationals have been abandoning well-known external certifications in favor of their own in-house schemes. The Cocoa Life standard created by Mondelez International and "Fairly Traded" by Sainsbury's are two examples (Subramanian, 2019).

Supplier monitoring can also take the form of required compliance with the aforementioned external and voluntary (i.e. non-governmental) standards or certifications. These can be industry-specific like the Forest Stewardship Council and Fair Trade or cover multiple industries, where typical examples include the ISO 14001 standard for environmental management as well as ISO 26000 and SA 8000 for social sustainability. Owing to their uniformity, external certifications can be handled by third-party auditors and will often retain a high level of credibility (Mueller et al., 2009), potentially adding to the legitimacy of the focal company. They may also contribute positively to brand image as many certifications, such as Fairtrade are well-known by the general public and other stakeholders. As with the codes of conduct these standards are often embedded in the selection and evaluation criteria of suppliers and do not necessarily require the focal firm to invest time and resources into the supplier (Koberg and Longoni, 2018; Koplin et al., 2007; Vachon and Klassen, 2006). For example, in agricultural produce such as coffee, suppliers are generally small and scattered around the world in remote places making it difficult and expensive to engage in auditing or monitoring of individual suppliers (Chen and Lee, 2016; Wilhelm et al., 2016). In such a case, relying on one-time external certification is usually preferable (Chen and Lee, 2016). External standards are also beneficial to suppliers in the sense that while they may need to assume the cost of certification, they avoid having to conform to multiple, possibly conflicting or overlapping private codes of conduct and can instead focus on compliance with established standards (Reinecke et al., 2012). However, as discussed before, studies have shown that such indirect governance mechanisms are seldom associated with sustainability improvements, calling into question their usefulness (Koberg and Longoni, 2018; Lebaron and Lister, 2015). There is also the risk of "too many standards in the field" causing confusion and inefficiency, as well as an inherent bias towards well-known environmental and social issues, and products close to the end consumer (Thorlakson et al., 2018; Vermeulen, 2013).

Standards (both internal and external) are also used for building and maintaining sustainability performance management systems (O'Rourke, 2014). Additionally, they can be of use in the final assessment practice referred to in the conceptual model as selective monitoring. Here the company will send out contracted auditors or its own employees to individual suppliers to evaluate conditions or progress towards specific goals, or to intervene in case of observed issues (Beske et al., 2014). Thus, selective monitoring may be considered complementary to standards, however standards are not a prerequisite for selective monitoring as it may also be conducted on

an informal basis without defined standards. As mentioned in the case of small coffee producers, this practice can be expensive and time-consuming (particularly for SMEs), and company employees/auditors may lack the skills or training needed to conduct thorough, useful investigations (Pederson and Andersen, 2006). What the focal company will ultimately decide to do depends greatly on the specific context and whether audits and/or certifications/standards are available. Figure 4 illustrates some of the outcomes that may occur in different industry contexts (Chen and Lee, 2016).

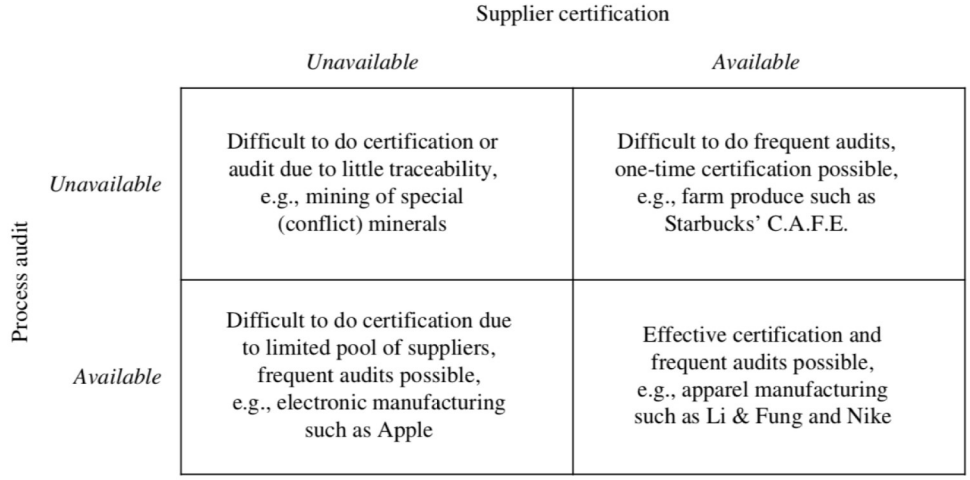

Figure 4. Instrument Availability for Managing Supplier Responsibility Risk, Chen and Lee (2016)

One of the main challenges with all forms of monitoring is the difficulty of enforcing compliance throughout the entire supply chain (Hassini et al., 2012). The vast majority of monitoring practices are dyadic and focused on one tier of the supply chain. In fact, Thorlakson et al. (2018) found that 65% of practices applied only to first-tier suppliers and only 3% of respondents traced a product from raw material producer to final product. Sub-supplier management is particularly cumbersome as there is often a lack of contractual relationship with sub-suppliers, few opportunities exist to put direct pressure on them, and there may even be a lack of transparency regarding sub-suppliers involvement in the supply chain (Wilhelm et al., 2016; Grimm et al., 2014). This complexity leads most focal firms to rely on suppliers to manage their sub-suppliers, which may result in sub-par sustainability outcomes as suppliers may have limited incentives to manage their suppliers. Relatedly, auditing practices have been criticized for often omitting exactly those parts of the supply chain where environmental and social abuses are most likely to occur, purportedly deceiving governments and the public who increasingly use audit-

based information to assess corporate responsibility (Lebaron and Lister, 2015). In general, there may also be a pervasive lack of pressure for companies in some industries and geographies to monitor their supply chains. Thorlakson et al. (2018) found that having a consumer-facing product, serving European markets, and being headquartered in a country with a high density of international NGOs were all associated with adoption of sustainability assessment practices, whereas non-consumer facing products and serving markets in Asia-Oceania were not.

The third and final category under processes is called proactivity. Again, the suitability of this title could be contested as proactivity can be considered an antecedent of SSCM. It could also be argued that many of the practices included in this category are not concrete practices in their own right, but rather continuous processes that should be occurring throughout the implementation of other practices. Namely, learning and innovation could be viewed as integral elements of SSCM, which is why they were included in this thesis as strategic values. The authors themselves state, for example, that the ultimate goal of collaboration is inter-organizational learning, hinting at its broader role in SSCM. One could argue that learning and innovation are also key elements of supplier selection, joint product development, logistical integration, as well as many other practices.

Stakeholders are parties affected by or interested in the activities of the firm that have the means to bring attention to their needs as well as the ability to take action if those needs are not being met (Foley, 2005). Thus, stakeholder management has been described as the firm behaving in such a way as to satisfy the needs and expectations of stakeholders (Garvare and Johansson , 2010), either proactively or reactively.Similarly, stakeholder management and pressure group management (considered a risk management practice) might also ideally occur throughout all phases of the supply chain since stakeholders are considered a source of knowledge and learning for the focal company, can serve to enhance products, processes, and performance (Beske et al., 2014), and their appeasement may be critical to the survival of the business. The aforementioned "practices" (learning, innovation, stakeholder management) or processes could also be regarded as dynamic capabilities since they enable firms to better leverage their resource base and compete in changing markets.

What does stand out in the proactivity category as a concrete operative practice is life cycle assessment. LCA is the "compilation and evaluation of the inputs, outputs, and potential environmental impacts of a product system throughout its life cycle" (Finkbeiner et al., 2006) – or

what might be referred to as "cradle to grave". The idea is to assess the total environmental impact of a product throughout its life, from production to eventual reuse and recycle, with the goal of feeding this information into product design and perhaps even supplier selection (Kronberg Jensen, 2012) in order to minimize harmful outcomes. LCA is a relatively advanced practice that requires a considerable amount of input data, even to analyze a simple product (O'Rourke, 2014). As with monitoring, key challenges arise from procuring data past first tier suppliers and oftentimes upstream processes need to be modeled based on industry averages, leading to uncertain results that may not reflect the actual supply chain (Hellweg and i Canals, 2014; O'Rourke, 2014). Still, LCA is considered "the primary method for turning sustainability data into useful information" despite the fact that unfortunately its efforts still remain largely focused on incremental efficiencies and risk reductions (O'Rourke, 2014), echoing the aforementioned sentiments of Pagell and Shevchenko (2014) who call for more radical change. Another common criticism is that it does not consider the triple bottom line, but rather focuses purely on environmental sustainability. In fact, this bias is inherent across a range of operative practices where companies consistently ignore the social sustainability element. For example, Walmart has won numerous awards with regard to its climate change and renewable energy efforts yet engages in highly unfair social practices such as forced overtime and below minimum wage (Lebaron and Lister, 2015). This environmental bias is apparent throughout much of the literature on SSCM practices.

2.5.5 Barriers

Finally, having covered the many drivers and practices of SSCM, it is worthwhile to take a quick look at a few of the potential barriers impeding adoption of policies and/or implementation of practices. As with drivers, barriers can also be classified as either external or internal, depending on their origin. Internal barriers include lack of knowledge, awareness, capabilities, or financial resources within the firm, as well as inadequate support of management. External barriers on the other hand include lack of supplier capabilities, government support, consumer demand, or performance management system among others (Sajjad et al., 2015). Although the main barriers are relatively uniform and appear broadly throughout the literature, authors have classified and named them in different ways. For example, Seuring and Muller (2008) cite the top barriers for SSCM as 1) higher costs 2) coordination effort and complexity, and 3) insufficient or missing communication in the supply chain. Concurrently, for Ciliberti et al. (2008) these are

communication gaps, lack of information, and problems with skill transfer. It's important to highlight however that there may be critical differences between barriers depending on the geographic context. When dealing with suppliers in developing countries, Ciliberti et al. (2008) found that limited cross-cultural understanding and cultural differences would manifest as complexity and communication gaps. Furthermore, issues like corruption and rudimentary ICT infrastructure, which might hinder practices like technological integration and enhanced communication, were considered barriers to successful SSCM.

SMEs may also face distinct barriers of their own. Indeed, many of the characteristics of SMEs described in the SME chapter could be and often are regarded as factors that make SSCM adoption distinctly more difficult. Namely lack of knowledge, time, money, and personnel to name a few. Admittedly, the relative resources of small companies are such that where one percent of turnover for an MNC might make considerable headway, for an SME it may be insufficient for any kind of impact (Laudal, 2011). SMEs also have fewer opportunities to benefit from economies of scale, for example in regard to certification or auditing, which again increase the relative burden of these costs (Pederson, 2009; Lepoutre and Heene, 2006). That being said there is debate regarding the criticality of financial resources as some authors cite the fact that no direct correlation has been found between financial resources and sustainability performance (Paulraj, 2011; Lepoutre and Heene, 2006). As with any company though, the industry and specific context are important. Cramer (2008) found that SMEs with diverse product portfolios generally limited themselves to only monitoring strategically important or risky products, yet similar lines are frequently drawn in larger organizations (Lebaron and Lister, 2015) indicating the differences may not be so great.

In order to explain how barriers actualize and "failure" occurs, it can be useful to draw on the idea of decoupling (Halme et al., 2018). In the authors' theory, CSR is understood as a process through which the focal firm identifies institutional pressures, sets policies that respond to those pressures, and implements measures to execute them. This process chain is considered fragile, and can be broken at any stage, leading to performance non-improvements and the aforementioned decoupling. When pressures fail to result in policies, pressure-policy decoupling occurs. When policies fail to result in concrete practices, policy-practice decoupling occurs. Finally, when practices fail to produce improvement outcomes, means-ends decoupling takes place. While not specific to SSCM, this theory can be used to gain clarity on situations in which sustainability

improvements do not occur. For instance, Revell et al. (2010) discussed how the majority of SME owner-managers have strong altruistic feelings towards the environment, yet extensive barriers mean that attitudes rarely translate into concrete action – essentially an example of pressure-policy decoupling.

2.6 Conceptual Framework

The relevant SSCM literature has now been reviewed using Beske and Seuring's (2014) conceptual framework as a guiding tool. In the framework the authors looked at strategic values, structure, and processes to gain an understanding of the SSCM practices occurring within focal buying firms. While this framework is a very useful starting point for conducting the empirical research of this thesis, it has been modified to better reflect the broader literature as well as the specific case of SMEs.

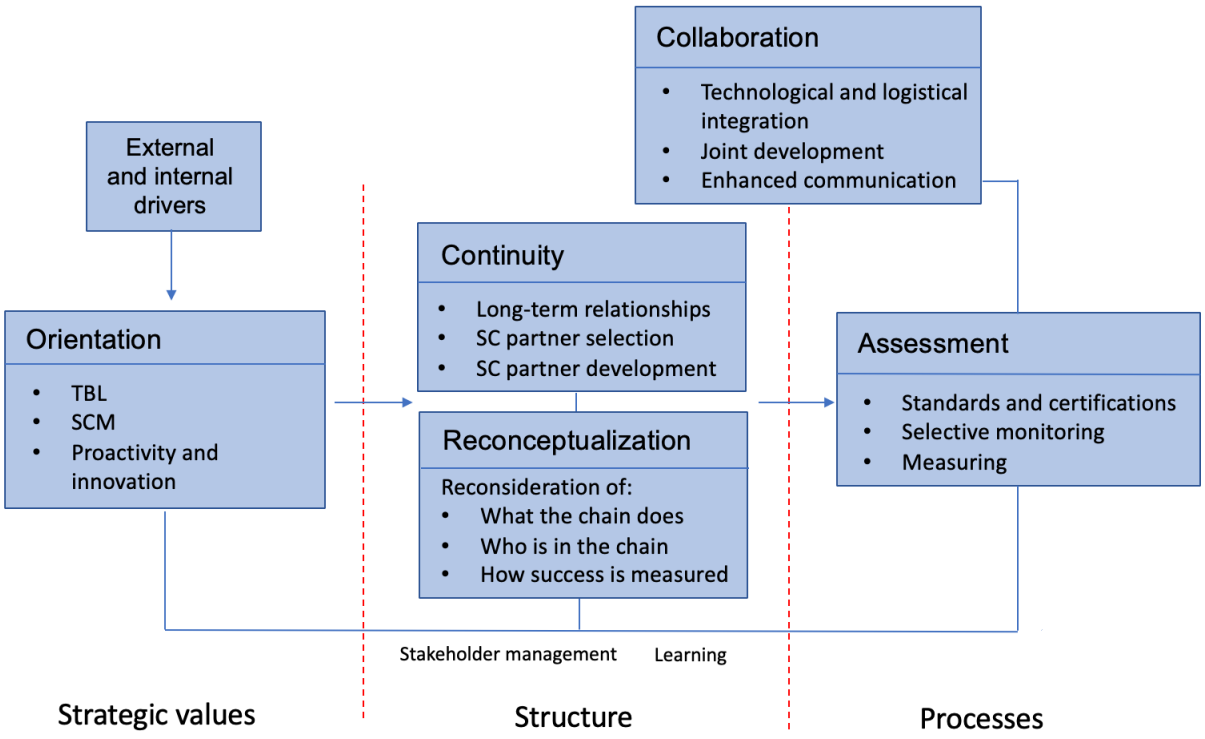

Figure 5. Conceptual framework for SSCM practices, modified from Beske and Seuring (2014)

As can be seen in Figure 5, external and internal drivers were included as a moderating force that influences the orientation and subsequent practices of the company. Having drivers in

the model helps to explain why SSCM is being implemented (which also affects the practices employed) and recognizes the important role that different stakeholders play both in raising awareness of sustainability issues and instigating adoption and implementation of practices within the firm (Meixell and Luoma, 2014). Next, orientation is expanded to include proactivity and innovation which might also be referred to as entrepreneurship. As mentioned in the literature review, proactivity/entrepreneurship is a strategic value that appears frequently, particularly in conjunction with its ability to enable SMEs to look beyond their limited resources. Considering many of the problems facing society today are "wicked" and particularly challenging, entrepreneurship and proactivity are critical for enacting the advanced practices and radical change needed to solve them (Marshall et al., 2015).

Continuity and collaboration are kept the same as they are seen as accurately reflecting the practices that develop the structure of the supply chain. Collaboration's dual role as both structural and operational is also recognized and it remains in between the two categories. However, as mentioned in the literature review, these two categories alone cannot account for the more radical change occurring in regard to the redesign of supply chain structures. Thus, the category reconceptualization, originally identified by Pagell and Wu (2009), is added to represent practices such as expansion of the supply chain to include new actors, and strategic changes such as circular economy or green product design practices.

In the process category, the risk management category has been changed to assessment to reflect that fact that risk management is only one possible motivator for assessing and monitoring the supply chain. Similarly, the proactivity category has been removed as its key elements (proactivity/innovation) are now included in the strategic values. LCA has been moved to the assessment category as it also constitutes a way of assessing products and services within the supply chain and is renamed measurement to account for the different methods in use. Finally, as pressure group management (originally a risk management practice) is considered redundant given the practice of stakeholder management, it is presumed to be included in the latter. Both stakeholder management and learning have now been included as continual processes that occur throughout all phases of the supply chain and shape both the values and practices of the company.

It is important to note however, that the conceptual framework does not have improved performance as an outcome of the above practices. That is because within the confines of this thesis, sustainability performance as such will not be evaluated. Actual performance is difficult to

measure and compare given the widely varying contexts of different firms, which is perhaps illustrated by the fact that even standardization organizations and other raters tend to rank companies based on their formal principles and processes rather than any concrete performance outcomes (Halme et al., 2018). Similarly, this thesis will look at the practices and drivers/barriers of SSCM, without passing judgement on their outcomes.

3. Methodology and Industry Context

In the following chapter the methodology for this research is introduced. More specifically, the chapter explains why a qualitative multiple case study was chosen, details the epistemology that underpins the research, describes the chosen case companies, and outlines the methods used for data collection and analysis. Finally, the quality of the research is evaluated. The objective of this chapter is to present both theoretical as well as practical justifications for the chosen methodology and describe the overall research design process before moving on to the findings and discussion. First, however, the industry context is described as the findings cannot be properly analyzed without understanding of the food industry.

3.1 Industry Context: Processed Food Products

This study looks at SMEs operating in the food industry. Food supply chains can be divided into either fresh agricultural products such as fruits and vegetables, where the intrinsic characteristics of the product remain practically unchanged, or processed food products such as different convenience foods, where raw materials are used to make products with a higher added value (Apaiah et al., 2006). Both are often referred to in the literature as fast moving consumer goods (FMCG) or consumer packaged goods (CPG), however this study focuses specifically on the latter processed food products category.

Food supply chains are distinguished from other chains in that there is a continuous change in quality from the time raw materials leave the grower to when they reach the customer (Tijskens et al., 2001 cited in Apaiah and Hendrix, 2005), i.e. there is some level of perishability. Food supply chains are generally also very complex (Wiese and Toporowski, 2013) and susceptible to disruptions, leading to such product-related issues as "shelf life constraints, variability of quality and quantity of supply of farm-based inputs, variable process yield in quantity and quality due to biological variations, seasonality, random factors connected with weather and pests and other biological hazards" (Van der Vorst et al., 2002 p. 124). Consequently, food safety and quality are of great importance to consumers, governments, and companies alike (Beske et al., 2014; Grimm et al., 2014), leading to high government-imposed standards and regulations for food in many countries, as well as the need for strict supply chain control mechanisms on the part of companies (Beske et al., 2014). Alongside safety and quality, concern is increasingly also directed toward the

environmental and social impacts of food supply chains. Issues like deforestation, labor standards, treatment of animals, and the environmental impact of production are frequently raised by government agencies, NGOs, and the media (Beske et al., 2014). At the time of writing, countless news stories are being published regarding the raging Amazonian forest fires and their direct link to cattle and soy production (Lockwood, 2019; Mackintosh, 2019). While the food industry was supposedly among the first to look into aspects of sustainability such as pollution, waste, and labor standards, growing concerns about the effects of food production particularly on the natural environment are leading to increased pressure from stakeholders to improve sustainability performance (Yakovleva et al., 2012). The industry-specific concerns for food supply chains are summarized in the figure below.

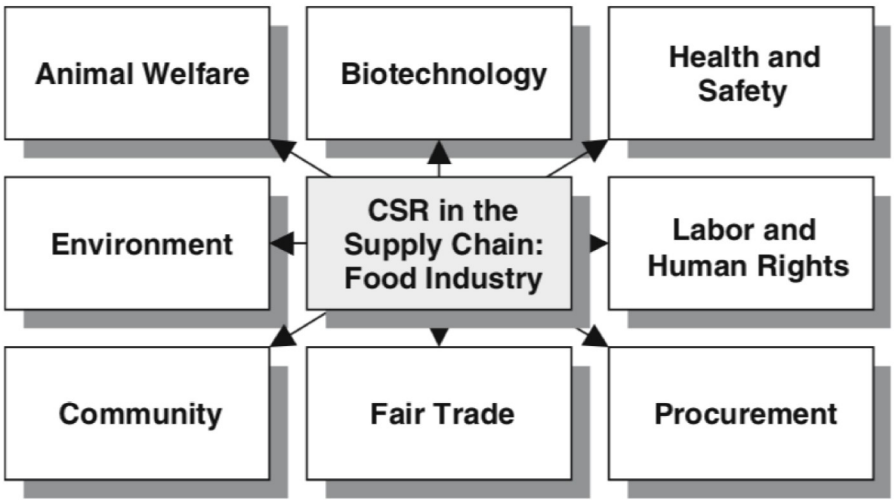

Figure 6. Dimensions of CSR in the Food Supply Chain, Maloni and Brown (2006)

Despite the fact that food products may have relatively simple bills of materials, or ingredients, they typically comprise a variety of different links and partners. Apaiah and Hendrix (2005) describe the six main links as primary production, ingredient preparation, product processing, distribution, retail and the consumer. As shown in the figure below, these links include such partners as farm suppliers, farmers, cooperatives/consolidators, processors, wholesalers, and retailers. Typically, a farmer starts with farm supplies such as machinery and seeds, and then sells their produce either directly to a processor or indirectly through 'storage and marketing' via a cooperative or consolidator. Some processors may have a direct link to retailers, but otherwise they will commonly use a wholesaler/distributor to move their products (Roth et al., 2008). Wiese

and Toporowski (2013) argue that because food supply chains are often so complex, firms need to rely heavily on their agents, or direct suppliers, to manage sub-suppliers. Grimm et al. (2014) reiterate that trust is especially important in food supply chains as ingredient quality is so critical. That being said, Smith (2008) found that food manufacturers frequently lack power over important suppliers as market-dominating, independent players exist at most stages of the value chain. For example, companies like Cargill and ADM control a large share of the production of basic foodstuffs such as corn and grain products, which are then used as inputs for other food businesses (Roth et al., 2008). In general, the food industry as a whole has seen large-scale consolidation as lower margins and pressures to reduce costs have proliferated (Roth et al., 2008). This is perhaps why SMEs are frequently formed on the basis of taking advantage of a specific market situation or niche (Reynoso, 2010), where charging a premium is possible. This pattern can be seen also in the case companies of this study.

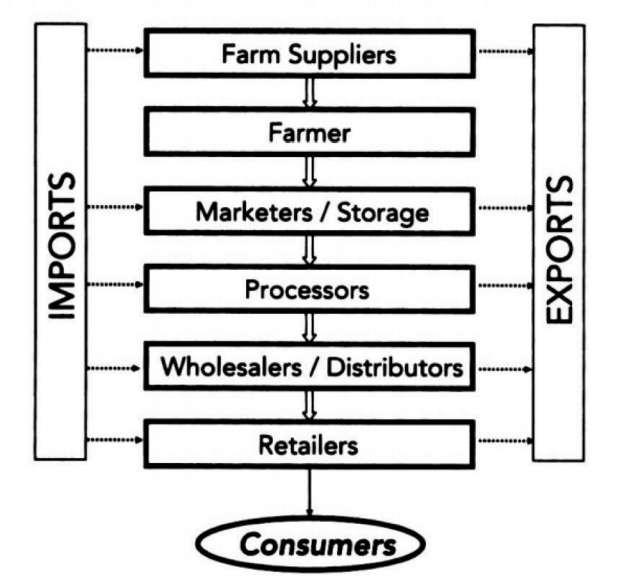

Figure 7. Generic Model of Food Supply Chain (One Ingredient), Roth et al. (2008)

Sustainability can take a number of practical forms in the food industry and can be implemented throughout all phases of the supply chain, just as greenhouse gases are emitted at all stages of the chain (Garnett, 2011). As described by Hassini et al. (2012), sustainability can be implemented in the sourcing, transformation, delivery, usage, and final recycling/reusing/returning of the product, as well as in its overall value proposition. The largest share of negative environmental impact for food products comes from the ingredients themselves, which makes

sourcing a key part of ensuring sustainability in the chain. In fact, between 47% and 61% of food chain GNG emissions come from the agricultural production of food (Vermeulen et al., 2012) and agriculture can also contribute to problems such as loss of biodiversity, water scarcity, and land degradation (Wognum et al., 2011). Animal agriculture in particular is linked to these issues (Garnett, 2011), which is perhaps why many brands' sustainable image is built around veganism, and the associated lack of animal products.

Given among other things the geographical restriction of cultivating certain agricultural products, 'food miles' have also become a key concern of ingredient sourcing and delivery (Grimm et al., 2014) as for example in the US the average travel distance for the whole food supply chain is a staggering 4200 miles (Weber and Matthews, 2008). Reducing the distance travelled from grower to consumer plays a positive role in minimizing fuel consumption and carbon emissions (Maloni & Brown, 2006) and has led to a surge in the popularity of local foods (Ilbery and Maye, 2005). For transport, some of the options for improved sustainability include: "modal shift to less GHG intensive modes of transport, investment in more efficient vehicles, driver training, the use of information and communications technology for optimal route planning, vehicle sharing and backhauling" (Garnett, 2011 p. 528).

Social sustainability is another major concern of sourcing as there is increasing consideration for the labor conditions of farmers and other ingredient producers, particularly in developing countries. At more advanced levels (beyond just ensuring the basic health and safety of workers) this can mean engaging the supply chain with non-traditional partners to provide benefits to the broader community through various educational and other social programs (Marshall et al., 2015). Firms might also rethink their value proposition so as to design their products and/or processes in ways that benefit stakeholders such as workers, communities, and consumers (Marshall et al., 2015). From the SSCM viewpoint sourcing tends to be focused on accreditations to manage sustainability. Standards such as certified organic, Rainforest Alliance, the Marine Stewardship Council (MSC) and the RoundTable on Sustainable Palm Oil (RSPO) are used to indicate an agreed level of environmental sustainability, whereas Fair Trade accreditation is a popular example of social sustainability.

Waste plays a major role in food supply chain sustainability across all phases of the chain and its minimization is often considered a key measure for sustainability in food production. Waste may take the form of for example wastewater, typically from heating and cooling processes,

surplus heat and air pollution from boilers/heaters, rejected or surplus packing materials, and of course food waste (Bourlakis et al., 2014). Food waste can occur during harvesting or processing in the form of rejected raw materials, or throughout later phases such as in transport or on the store shelf (Parfitt et al., 2010). Particularly in the later stages of the food chain, losses are not just the loss of the product itself, but rather a waste of all the resources and energy devoted to getting that product so far down the chain (Bourlakis et al., 2014; Garnett, 2011). It should be noted however that it is primarily fresh foods such as baked goods, fruits, and vegetables that contribute most to avoidable food waste (Kaipia et al., 2013), as opposed to the processed foods focused on in this study. Management of food waste is closely connected to SCM orientation as accurate forecasting, order management and information sharing, as well as flexibility and efficiency, are of critical importance to ensuring products reach customers in the right quantity and condition (Kaipa et al., 2013).

Packaging is also closely related to waste as the primary purpose of packaging is to protect the food inside through its movement through the chain (Grönman et al., 2013) and to prolong its shelf-life (Garnett, 2011). Many companies, including those in this study, are grappling with how to balance the recyclability and footprint of materials with the need to ensure that packaging effectively protects their products. Plastic as a packaging material has been especially targeted by the media and public in recent years, and the outcry over plastic pollution has led many well-known food companies to declare a fight against single use plastic (Fagundes, 2019). Beyond just the materials themselves though, companies must also consider their weight, shape, whether different materials in the package can be easily separated, and if there are appropriate recycling facilities in their various sales markets (Grönman et al., 2013). Grönman et al. (2013) suggest that if the package design begins simultaneously with the product design phase, the environmental and social benefits of the product-package combination can be most easily optimized and, in this way, reverse logistics are not just an afterthought.

Finally, an important supply chain factor that distinguishes many food chains is refrigeration. Refrigeration accounts for an estimated 2.5% of the UK's GHG emissions (Garnett, 2011) and at the firm level Coca Cola for example calculates that 71% of their carbon footprint is the result of refrigeration from sales and marketing equipment (Coca-Cola, 2008). Refrigeration causes GHG emissions from energy use and from the manufacture and direct loss, or leakage, of refrigerants such as chlorofluorocarbon (CFC) used in the refrigeration systems (Vermeulen et al.,

2012). Increasing inventory turnover and reducing the time that the product is sitting idle in storage is one way to mitigate the associated energy consumption (Bourlakis et al., 2014).

3.2 Research Approach: Qualitative Multiple Case Study

A core element of the research is that it is qualitative in nature. Qualitative research seeks to understand different phenomena from the point of view of its participants and within its particular social and institutional context (Kaplan and Maxwell, 2005). Data is primarily gathered in textual rather than numerical form and seeks to answer how and why questions instead of what or how many questions, which are more typical of quantitative research (Yin, 2003). Considering that the purpose of this research is to understand why SMEs are engaging in SSCM practices, and how SSCM manifests within different companies, it is unlikely that using a quantitative survey would provide the level of nuance needed to understand such a complex phenomenon. Moreover, the purpose is not to test an a priori hypothesis, but rather to explore, interpret, and understand (Eriksson and Kovalainen, 2008).

Within the qualitative research umbrella, this research relies on a popular methodology known as the case study – "an empirical inquiry which investigates a contemporary phenomenon within its real-life context" (Yin, 2003 p. 13). One reason for its popularity is "its ability to present complex and hard-to-grasp business issues in an accessible, vivid, personal, and down-to-earth format" (Eriksson and Kovalainen, 2008 p. 116). Additionally, they can be useful for theory building, often producing novel, testable theories (Eisenhardt, 1989). Case studies can be either intensive (single case study) or extensive (multiple case study), where the former tries to find out as much as possible on one or a few cases, and the latter purports to map commonalities and patterns across of multitude of cases (Stoeker, 1991). With extensive case studies, the cases themselves are not so much the focus of interest as they are an instrument or vehicle for delving into the phenomenon in question (Eriksson and Kovalainen, 2008). This is perhaps why some might regard these cases as 'thin' or abstract, particularly when compared with intensive cases (Stoeker, 1991). Nevertheless, Yin (2003) advocates for the use of multiple case studies whenever resources suffice. This thesis also employs a multiple case study approach as it is considered the best way to explore similarities and differences both within and between the cases and identify patterns amongst the SMEs operating in the food industry.

Furthermore, this case study might also be referred to as theory elaborating since it uses general SSCM theory as a starting point, but instead of formulating a priori propositions, seeks to understand the theory in a new context (SMEs), where it is considered malleable and can be challenged or reformulated. Theory elaboration has sometimes been referred to as "reconciliation of the general with the particular" (Ketokivi and Choi, 2014), which describes this study well. However, one of the key challenges of this approach is that because the categories and concepts are grounded in the theory and the empirical process is guided by certain theoretical considerations, it is less likely to exhibit emergence (Ketokivi and Choi, 2014). To an extent the study might also be regarded as exploratory since the context in question is characterized by a lack of detailed preliminary research and limited prior insights (Mills et al., 2010; Eriksson and Kovalainen, 2008). As previously mentioned, only two SSCM studies were identified with SMEs as the focal buying firm. Moreover, one study focused specifically on relationships with suppliers in developing countries (Ciliberti et al., 2008) while the other used a large-scale survey (Pederson, 2009), and neither was related to the food industry. Given the dearth of existing research, this case study could be seen as exploring the hitherto relatively unknown field of SSCM implementation in SMEs and helping to define the necessary questions and hypotheses for developing continuative studies (Yin, 2003).

Regarding the philosophy of the research, this thesis draws on the critical realism paradigm. Critical realism is often seen as lying between positivism and social constructivism/interpretivism as it both accepts the existence of an objective, independent reality yet recognizes that knowledge about it is socially constructed (Easton, 2010). Thus, while the realist researcher aims to depict the world as accurately as possible, she accepts that some 'facts' are merely perceptions. This paradigm suits this study as it rejects the rather simplistic causality assessments that positivists make, yet interpretivism makes necessary comparison difficult as it is considered impossible to know what is real. On a practical level, the study looks at the more objective facts such as concrete policies and practices, yet also delve into the more socially constructed concept of motivations. Furthermore, Easton (2010) argues that the critical realist approach is "particularly well-suited to relatively clearly bounded, but complex, phenomena such as organisations, inter-organisational relationships or nets of connected organisations" (p. 123), essentially describing the supply chain.

3.3 Data Sampling and Description of Case Companies

SMEs were chosen as the focus of this study as considerable research already exists for larger, multinational companies. As previously discussed, only two empirical SSCM studies have been done with SMEs as the focal buying firm, hence a considerable research gap exists. Moreover, the food industry was chosen as the context for several reasons. Firstly, sustainability is a 'hot topic' in regard to food and food sustainability is frequently discussed in the media and public forums. Secondly, as noted, food production generally necessitates a strong SCM orientation, considering the many health and safety issues involved. Thirdly, and more practically, the food industry is one of the largest industries in Europe making it more likely to find willing case companies than for a smaller, more niche industry.

When choosing the case companies, the researcher must make a choice regarding their sampling method. A typical method in qualitative research is non-probability purposive sampling, where all units in the population do not have equal chances of being included (Etikan et al., 2015). Essentially, cases are chosen deliberately whether for convenience, willingness or around a concept of purpose such as a specific characteristic/s (Etikan et al., 2015; Flick, 2007). Case selection can also follow a replication logic whereby cases are chosen so that they either predict similar results, referred to as a literal replication or contrasting results (for predictable reasons) known as theoretical replication (Yin 2003). Eisenhardt (1989) advises that for case studies it is preferable to follow a replication logic rather than random sampling methods.

Aiming to follow the purposive literal replication logic, several factors influenced the case selection in this thesis. The companies in this study are all from the same industry context – processed food products – and operate primarily in a Business-to-Business (B2B) environment, selling their products to retailers or other distribution networks. The companies are also of relatively similar size in regard to headcount and annual revenue. Considering that the differences in resources between even medium and small size companies can be significant (i.e. compare <250 to <50 employees) all the chosen case companies are categorized as small businesses, in order to make the sample more cohesive. All are privately owned, instead of for example subsidiaries of larger organizations, meaning they have similar access to resources. Additionally, all the case companies have explicitly expressed interest around sustainability or communicated about their own sustainability practices, either through their website, social media, or other similar platform.

Literal replication was also chosen owing to the fact that it would have been difficult and likely fruitless to interview companies with no interest in SSCM. Much richer information about practices could be acquired from companies actively pursuing sustainable supply chain management. Finally, it should be noted that the case companies were chosen from several European countries, with the objective that findings might also be applicable outside of the Finnish context. By including companies from the UK, Germany, and Estonia the study gives a broader view of SSCM practices in Europe and can serve to potentially highlight any distinctive characteristics of the Finnish context.

Next, the case companies will be briefly introduced, and a summary of the companies can be found in Table 1.

Ambronite

Founded in 2014, Ambronite is based in Finland, but sells its assortment of high-quality real food meal shakes to the international market through both B2B and B2C channels. The company advocates for a sustainable plant-based lifestyle, with the mission of helping transform people and the planet from surviving to thriving. They are particularly focused on busy urban professionals and creating products that are well-suited to modern life. Ambronite works closely with two production partners in Finland that manufacture their line of products. One partner offers the products as a full service, while Ambronite manages the sourcing of ingredients for the other. Currently, the company employs six people.

Goodio

Goodio is a value-based business with the aim of accelerating positive change in the food industry. Founded in 2015, the company was created on the principles of sustainability, well-being and transparency, with a focus on purity of ingredients, justice in the supply chain, and providing employment opportunities for marginalized persons. Goodio aims to buy cacao from as close to the producer as possible and manufactures all of its chocolate in its own production facility located in Helsinki, Finland. The company has been focused on international expansion and accordingly its largest market is the US. Goodio employs 20 people.

Jalofoods

The oldest of the case companies, Jalofoods was founded in 1989 and has been providing Finland and the Nordics with organic and Fairtrade soy products for 30 years. In fact, they sell the world's first and only Fairtrade tofu. A pioneer for organic food in Finland, Jalofoods has helped pave the way for the recent surge in plant-based eating and has experienced considerable growth within the past five years. Jalofoods purchases soybeans primarily from Brazil and transforms them in their own factory located in Tammisaari, Finland. The company is actively involved in a number of organizations across the business spectrum, and currently employs 25 people.

Baba Foods

Baba Foods is a family business founded in 2014. Baba handmakes Middle Eastern foods such as hummus and falafels in their production facility in Helsinki and their products can be found in a variety of stores across Finland. The company operates with the mission of being honest, responsible, ethical, and as environmentally friendly as possible. Currently, Baba has a headcount of 14 employees.

Berlin Organics

Berlin Organics is, as the name suggests, a Berlin-based company selling organic superfood and protein products to the German and European markets. Founded in 2015, Berlin Organics is a certified B Corporation and employs a team of three. The company works with a German producer that sources, manufactures, and packages the final products, however for some ingredients Berlin Organics has a direct trade relationship. The company is focused on sustainability and transparency, as well as promoting a plant-based lifestyle.

La Muu

La Muu makes premium, organic dairy and vegan ice creams for the Estonian market. Their mission is to promote local Estonian organic production, whilst being conscious of their ecological footprint and making sure that farmers receive fair compensation for their work. La Muu manufacturers its ice cream at its own production facility in Tallinn and employs nine people.

Rebel Kitchen

Rebel Kitchen was founded in 2015 with the belief that business can be a means for creating positive impact in the world. The company provides dairy-free milk products primarily based on coconut and is B Corp certified, organic, as well as carbon neutral. Rebel Kitchen sources ingredients themselves, while the final products are manufactured with partnering producers in the UK. The company is focused on supply chain transparency, regenerative agriculture, recycling, community well-being and health. The current headcount is 25.

Squirrel Sisters

Founded in 2015, Squirrel Sisters is wholly owned and run by sister-duo Sophie and Grace Tyrrell. The company sells healthy, vegan snack foods found in stores across the UK and available in their online store. Squirrel Sisters works with a producer that sources, manufactures, and packages their products, although the company aims to increase its share of direct sourcing. Currently, the company's focus is to go completely plastic-free and reduce food miles.

Table 1. Overview of case companies

Case companies	Year founded	No of employees	Sub-sector	Location
Ambronite	2014	6	Meal shakes	Finland
Goodio	2015	20	Chocolate	Finland
Jalofoods	1989	25	Soy products	Finland
Baba Foods	2014	14	Convenience foods	Finland
Berlin Organics	2015	3	Superfoods	Germany
La Muu	2012	13	Ice cream	Estonia
Rebel Kitchen	2014	25	Dairy-free milk products	United Kingdom
Squirrel Sisters	2015	2	Snack bars	United Kingdom

3.4 Data Collection: Semi-structured Interviews

For the purposes of this thesis, empirical research was conducted through a series of semi-structured interviews with persons from the case companies acquainted with their organization's supply chain and sustainability strategies. Semi-structured interviews were considered the most appropriate interview method as they are suitable for "how" and "what" types of research questions (Eriksson and Kovalainen, 2008). This method of interviewing aims to be systematic and comprehensive, whilst maintaining a conversational and informal tone. In order to strike this balance, an interview guide is used, but the order and wording of questions as well as the level of probing can be tailored to each individual interview (Eriksson and Kovalainen, 2008). The flexibility that this method affords is also considered useful for researching more novel topics, as is the case of SSCM in the SME context (Hirsjärvi and Hurme, 2004).

One noted disadvantage of this method, however, is that it may make valid comparison across interviews difficult as interviewees may be probed differently or encouraged to explain to varying degrees of detail, let alone the fact that questions may be interpreted in various ways (Johnson and Weller, 2001). While this cannot be fully mitigated, secondary data in the form of the companies' websites, social media, and other press materials was used to validate claims and fill in any blanks owing to time constraints or unclear articulation. Eriksson and Kovalainen (2008) emphasize that case studies are more accurate, diverse, and convincing if they are founded on several sources of empirical data, and triangulation is an important part of ensuring validity (Johansson, 2003; Yin, 2003).

In practice, a total of eight semi-structured were conducted over the course of approximately five weeks in September and October 2019, with one interview per case company. The number of interviews was decided before the fact, with eight interviews considered a feasible number to achieve, but also a large enough sample that patterns should begin to emerge. The interviewees were recruited by contacting the target case companies directly via email to inquire about willing participants. Often, as the companies were quite small, the number of suitable candidates was maximum 1-2, which made the contacting process relatively straightforward. In most cases the interviewee was the Founder or CEO of the company as they had the broadest and most in-depth knowledge about the organization, and best fit the criteria of an informant (Spradley,

1979). In all but two instances, the interviewees were interviewed individually, whereas in those two cases the interview was attended by two people.

A maximum of 60 minutes was reserved for each interview, however one of the interviewees had an informed time constraint of 30 minutes. All the interviews were recorded and transcribed for further analysis with the explicit permission of the interviewee. Eight of the interviews were conducted in person and two were done via Skype call as the geographical distance made an in-person interview impossible. Furthermore, all of the Finnish case company interviews were conducted in Finnish as it is recommended that the common, native language be used whenever possible (Hirsjärvi and Hurme, 2004). It was also assumed that this would make the situation feel more comfortable for the interviewees and minimize the risk of miscommunication or misunderstanding due to a language barrier. The remaining interviews were done in English as this was the common language. Quotes used in the findings section were translated from Finnish to English with the objective of retaining the original tone and meaning of the interviewee. Overall, a conscious decision was made to edit quotes for clarity when deemed necessary.

An interview guide, found in the appendix, was constructed based on the revised conceptual framework and the individual questions were grouped around central themes. The interview guide followed a funnel method in that it began with broader, more general questions and then lead into more focused questions. This method allows the interviewees to first get comfortable speaking about the topic and the interviewer to learn things that may impact subsequent questions, before delving into more specific topics (Roller and Lavrakas, 2015; Spradley, 1979). For the most part the interview themes stayed the same throughout the interviews, however if a novel or insightful opinion was shared, sometimes this was added as a sub-question in the next interviews to determine its validity. This practice was supported by research, as multiple scholars argue that qualitative data collection and analysis actually occur simultaneously and that analysis is undertaken throughout the collection phase (Saunders et al., 2016; Eriksson and Kovalainen, 2008; Yin, 2003). In fact, the interviews were deliberately spaced out so as to allow time for transcription and analysis between the interviews (Saunders et al., 2016).

The following table summarizes the participants as well as the length of the interviews.

Table 2. Overview of case interviews

Case interviews	Interviewee, role(s)	Duration	Date
Baba Foods	1) Quality Management and Product Development Co-Founder and Head of Sales	35 min 43 sec	11.09.2019
Jalofoods	1) Commercial Director	55 min 40 sec	17.09.2019
Goodio	1) CEO	53 min 59 sec	18.09.2019
Berlin Organics	1) Founder and Managing Director	38 min 25 sec	24.09.2019
Rebel Kitchen	1) Procurement Manager	51 min 42 sec	27.09.2019
Ambronite	1) Co-Founder 2) Head of Operations	43 min 59 sec	3.10.2019
Squirrel Sisters	1) Co-Founder and Head of Business & Operations	29 min 30 sec	14.10.2019
La Muu	1) CEO	54 min 55 sec	18.10.2019

3.5 Data Analysis: Deductive Approach

In line with the method used for data collection, analysis of the data was also informed and shaped by the theoretical foundation of the thesis, in other words it adhered to a deductive approach. Deductive analysis, as opposed to inductive analysis, employs a "top-down", "general-to-specific" approach (Braun and Clarke, 2006), which is useful for example when the aim is to test a previous theory in a different situation (Vaismoradi, 2013). Thus, it is suitable also for this thesis as a general SSCM theory is used to explore and understand SSCM in the SME context. Deductive methods have been criticized for being too rigid or restrictive, however, they've also been commended for drawing a connection to existing research in the field (Saunders et al., 2016), something that is sometimes seen as lacking in case study research.

The analysis of the data was done through thematic analysis and reflected a typical process in that it included a within-case analysis followed by a cross-case analysis (Eriksson and Kovalainen, 2008). Thematic analysis is a method for identifying, analyzing, and reporting patterns across the dataset, essentially a way of organizing and describing the data (Braun and

Clarke, 2006). One of its advantages is its flexibility; the researcher can use their own judgement to determine what constitutes a theme (Braun and Clarke, 2006). Observing the deductive approach, a pre-developed thematic coding scheme was used (Eriksson and Kovalainen, 2008), where the labels or "codes" were developed based on the SSCM practices in the revised conceptual model. In practice, after the interviews had been transcribed verbatim, each individual case was coded by focusing on the words, expressions, and opinions that corresponded to the predetermined labels. The primary purpose was to first gain a deep understanding of each case before moving to comparison. The flexibility of the method also allowed for the addition of codes if new themes emerged in the data. A total of 29 codes were used, with a matching 234 quotes.

Finally, a cross-case analysis was conducted, where the cases were compared in order to identify similarities and differences and gage the salience of the themes. An Excel sheet was used as a mind map to aggregate and organize the coded data in order to visualize which practices or other themes were mentioned the most. The data was also compared to the literature throughout the analysis with the aim of identifying supporting and contradicting patterns. In this sense the data analysis combined both cross-case synthesis and pattern matching (Yin, 2003).

3.6 Research Evaluation

Eriksson and Kovalainen (2008) suggest three classic criteria for evaluating the quality of case study research, namely reliability, validity, and generalizability (Yin, 2003). While the authors admit that there is contention within the literature as to the extent that criteria like validity and reliability, derived from quantitative research, can be used to evaluate interviews or observation accounts, they are still the most commonly used benchmarks and suitable to the critical realist paradigm.

Reliability refers to the scope within which a procedure of measurement produces the same results on repeated trials, i.e. the extent to which findings are independent of accidental circumstances and could be replicated by another researcher (Fong Reynoso, 2010; Eriksson and Kovalainen, 2008; Yin, 2003). In this study, one of the factors potentially affecting reliability is the social desirability bias (Maccoby and Maccoby, 1954 cited in Fisher, 1993), where interviewees answer questions according to what they perceive to be "correct" or socially acceptable. This is particularly challenging in this context given that investigations into sustainability practices can strike a wide range of moral, ethical, and legal sensitivities and may

prompt owner-managers to respond with extreme caution (Roxas and Lindsay, 2012). In order to mitigate this bias, all the case companies were offered the possibility to participate anonymously. Furthermore, it was stressed in the interviews that the purpose was not to judge how sustainable the companies were, but rather to understand the different types of practices they had in place and any barriers they were facing. It was also emphasized that there were no right or wrong answers to the questions.

The second evaluation criteria, validity, refers to the extent that the study accurately reflects or explains what happened and is backed by evidence (Eriksson and Kovalainen, 2008). Validity can be looked at from three perspectives; construct validity, inductive validity, and external validity (Yin, 2003). Construct validity is the degree to which the study successfully measures what the research set out to measure and examines whether the measures have been proven to reflect the studied phenomenon. As the conceptual framework, which formed the basis of the interview guide and subsequent analysis, was developed from existing, well-cited research on SSCM, it could be contended that the constructs used are valid. The second sub-category, internal validity, is not applicable to this research since it seeks to establish causal relationships, which was not the purpose of this study. Thirdly, external validity is essentially analogous to generalizability and deals with whether results can be extended to a wider context (Eriksson and Kovalainen, 2008; Yin, 2003). The importance of generalizability in case study research has also been contested and Flyvbjerg (2006) argues that valuable theoretical contributions can be made with or without generalizability and that while some case studies may be generalizable it is not imperative that they are or even should be. The sample in this study was expanded to include none-Finnish companies in order to increase the generalizability of the findings beyond the Finnish context. However, the fact that case companies were explicitly chosen on the basis of their sustainability commitment might make the findings less generalizable to SMEs as a whole, although it is possible that the findings could be generalized to sustainability-minded SMEs in other industries.

The validity of the study can be improved by using additional methods such as analytic induction, triangulation, and member check (Eriksson and Kovalainen, 2008). As previously mentioned, this study used triangulation to further refine and verify the findings, however one of the limitations was that small businesses produce minimal information when compared for example to large corporations. Thus, the study did not have access to sustainability reports or similar documentation but had to rely on the companies' websites and social media channels. On

the other hand, a benefit of the small size was that the views of the interviewee might be more likely to accurately reflect the reality of the firm, increasing reliability. Validity was also enhanced by further triangulating with the use of theories to help understand and interpret the case, and by formulating a rigorous interview guide, recording all the interviews and transcribing them as soon as possible. In fact, Eriksson and Kovalainen (2008) posit that research evaluation should occur throughout the whole research process and not just at the very end.

4. Findings

In the following chapter the findings of the empirical research are discussed according to the structure laid out by the conceptual framework developed in section 2.6. First, the drivers are described, then strategic values and orientation, structure, processes, and finally the continuous activities of learning and stakeholder management.

4.1 Drivers

Firms experience distinct drivers or pressures that shape their orientation and subsequent SSCM practices. All the interviewees acknowledged the existence of drivers and could pinpoint specific things that motivated both their and the company's sustainability behavior.

4.1.1 Internal Drivers

Literature on SMEs frequently highlights the salience of internal normative drivers, primarily the values of the company's founders and owners, and this was identified in the interviews as well. Six out of eight interviewees reported a strong normative foundation for the sustainability activities of the company, while two considered it to be somewhat relevant.

> "Our interest in sustainability comes from our own values since we founded this company based on passion and an idea, so it's definitely our values. And when you've started your own company a huge part of it is doing what you want and respect, what you represent." Baba Foods

> "It's been there since the founding of the company, even before it. Our concept hasn't changed in 30 years. The values of the owner are promoting organic agriculture and opposing industrialization and mass manufacturing." Jalofoods

> "Behind it is our founder, Jukka Peltola. He wanted to consume chocolate that would fulfill these criteria, but he couldn't find any, so he set out to do it himself. So, you can't even really ask where did we get the idea from because it was there since day one, the founder's own values." Goodio

In several cases internal instrumental drivers were also considered to be important motivators for sustainability practices. These were related to developing the brand of the company, tapping into a niche or market segment, or benefiting through process-related efficiency gains. It should be noted however that normative drivers were much more strongly emphasized in the

interviews, though this may be partly due to the perception that they shed a more positive light on the company. The following quotes illustrate some of the instrumental drivers, but also the fact that instrumental and normative drivers are not mutually exclusive, rather they can and often do overlap.

> "I think that the sustainability interest comes from the fact that we identify, the brand identifies itself with people for whom this is important. We are very much a lifestyle brand and I've always thought that there is a behavioral segmentation called LOHAS (Lifestyle of Health and Sustainability) and these are people who have a higher consciousness as to what they consume in terms of health and environmental sustainability, so behaviorally this is our focus group and we know that it is important for them. Of course, I'm probably also part of the same segment so there is also quite a bit of expectation out there for us to act sustainably." La Muu

> "When it's a question of entrepreneurs, the fact that something is environmentally friendly and sustainable, like food waste for example, it's also an economic issue, so these things really do go hand in hand. We're also building the Baba brand, and so these things have real significance." Baba Foods

> "Back then in 2015 there was also a competitive niche, there was a time when the whole thing, the topic, was just starting." Berlin Organics

4.1.2 External Drivers

Across the board external drivers were more so reported as motivators of specific SSCM practices, instead of as a determinant of firm orientation. Interestingly, the only external drivers that were identified by interviewees were retailers and consumers. Governments, NGOs, investors, media, and competitors were not seen as explicit sources of external pressure or drivers of behavior. In the literature, the jury is still out on whether SMEs experience strong external pressures from their various stakeholders, and this heterogeneity seemed to be reflected in the interviews as well. Approximately half of the case companies considered customers an external driver of practices while the other half did not. There seemed to be some loose correlation with business model and social media presence as those companies that also sold through direct B2C channels, and/or were highly active on social media reported more pressure from customers. For example, Ambronite a company that sells its products directly to consumers online described how the majority of the external pressure they felt came from consumers and had been the reason why they had decided to change their packaging materials and sizes. As the interviewee describes, "It had quite a big effect on our whole supply chain and we had to find a new partner that had the capability to produce

more sustainable packaging. It heavily influences us that we're so close to our consumers, we're engaging in a dialogue on a weekly basis and our operations and strategy are then thought through based on that feedback." Similarly, La Muu and Squirrel Sisters, two companies with active fan bases on social media described the pressure they experience:

> "Customers are who we get the most questions from, I think. The refrigeration issue was from a customer and also, we get feedback about packaging and is plastic the best solution or what's our take on that. So, I think we have been mostly pressured by our customers and we need to be in sync with them. It's mainly on Instagram and Facebook that they reach out." La Muu

> "Sustainability is also very important to our customers too and we know that we have quite a vocal group of vegans and people that are passionate about the environment that buy into our brand." Squirrel Sisters

On the other hand, some companies experienced, or perceived, considerably less pressure from consumers:

> "Very little pressure from consumers, take for example this Amazon situation, we've had so few questions that either we've handled everything really well and are so responsible, or then people just aren't interested." Jalofoods

> "Some consumers question how we can claim this or that, but very little, mostly it's just positive opinions and support." Goodio

Interestingly, the companies that felt the least pressure from consumers, reported feeling pressure from their primary customers, i.e. retailers. There was evidence of a clear geographic divide, as solely Finnish companies described such pressure. This is logical considering the Finnish grocery trade duopoly and the fact that all of the Finnish case companies would likely be working with the same retailers and thus experiencing the same pressures. Jalofoods described how retailers implemented a supplier code of conduct with them and Goodio reiterated that they felt some pressure to have certain certifications and provide formal documentation, which was sometimes considered difficult. Baba Foods also expressed that Kesko and S-Group's (Finland's two largest retailers) views on world politics and other issues were transferred to them in the form of pressures or requests and that these major players still determined how supply chains are managed. It was surprising to find that case companies in the UK, Germany, and Estonia did not experience pressure from their retailers, although the sample size cannot give a thorough analysis of whether

this is in fact the case. Some of the case companies were also surprised themselves that they hadn't experienced pressure, as described by La Muu:

> "At the moment we don't have any standards requirements from retailers, I would have assumed that there would be. That's an interesting notion actually. I would say that Rimi would have quite a scrutinized approach to sustainability and this would be translated or scaled down also to Rimi stores in the Baltics, but it hasn't really reached us. We have kind of gotten by really easily and it hasn't been an issue." La Muu

It may be that in some countries pressures from retailers are more informal and based on personal relationships as opposed to formal policies. Squirrel Sisters found that while bigger retailers didn't really care about sustainability, the buyers they spoke to were always pleased when they talked about being fully recyclable or their plans to move to plastic-free packaging.

4.2 Orientation

The orientation, or in other words strategic values, relate to the mindset of the company and how its outlook is integrated into the strategy formulation and sustainability practices of the company. Three main orientation factors were identified in the model; triple bottom line, supply chain management, and proactivity/innovation, also referred to as entrepreneurship.

4.2.1 Triple Bottom Line

A common denominator between all of the case companies was that to varying extents, sustainability or the 'triple bottom line' was considered a core value of the company. It wasn't something that was added on later or managed in a separate part of the firm, rather all interviewees reported that sustainability concerns were an integral, strategic part of decision-making processes. As is recognized in the literature, there seemed to be a stronger focus on environmental sustainability, with matters related to climate change and carbon emissions appearing at the forefront of interviewees' minds when asked what sustainability meant in the context of their company. Veganism or the use of plant-based ingredients was frequently cited as a critical element of sustainability orientation, as was attention to food waste and food miles (e.g. local sourcing), farming practices, and packaging materials.

> "Also, because we make plant-based food our carbon footprint is low and to us that is sustainability. We're not involved with the livestock or animal feed industries, so we strive toward the fastest route to the consumer's mouth." Jalofoods

> "In our case as we just produce vegan or plant-based products, sustainability means to us that we source products from organic production because it makes sure there are no pesticides or illegal fertilizers used. Sustainability to us also means that we use resources that are sustainable and reusable. Sustainability in terms of transport to us is getting the products by ship, those that are coming from overseas are transported by ship not by plane." Berlin Organics

> "I think first and foremost we come from the notion that organic, the product itself and producing organic has considerable benefits. Let's say if we were not producing organic then we would be worried about the environmental footprint. So, first and foremost our sustainability is embedded in the product itself." La Muu

Although slightly less prevalent, most companies also expressed concern for workers, particularly in developing countries, and in this way addressed social sustainability. Supply chain justice in the form of fair wages and working conditions, as well as buying as close to the producer as possible were considered important. One respondent, Goodio, also spoke of social sustainability within their own company as they had a scheme for hiring marginalized persons.

> "Rebel Kitchen was founded 4 years ago by Ben and Tamara, and they wanted to create a business that could be a change in the world – the way to have an impact in the world is through business that promotes healthy, thriving communities in developed countries." Rebel Kitchen

Notably, in some cases, sustainability was also understood as transparency or traceability. It is possible that this connection was drawn owing to the Finnish translation for sustainability, which can also be understood as corporate responsibility. Nevertheless, numerous companies felt that sustainability also entailed a commitment to their customers and other stakeholders to be honest about their successes and failures and to ensure that they could stand behind their promises.

> "Our philosophy is radical transparency and we want to open up the supply chain to consumers fully. Personally, I believe that is the only way to guarantee that our activities are actually sustainable." Goodio

> "Sustainability is also making sure that our supply chain is watertight and that all our documentation is in order." Jalofoods

TBL Policies and Practices

In the literature, triple bottom line orientation is understood as a value that manifests itself within companies in certain ways. Sustainability training for employees, relevant rewards and incentives, sustainability performance management, as well as written policies or other ways of making sustainability an explicit part of the company strategy are cited as practices that demonstrate this orientation. For the small businesses in this study, it was found that the above practices were not currently relevant ways of exhibiting a commitment to or value of sustainability. By and large, interviewees considered them to be formal, bureaucratic, and geared specifically towards large corporations. Zero companies reported having separate sustainability training for their employees, although two had attended related sessions. As part of their participation in Flow Festival, Baba Foods employees attended a sustainable thinking and meal workshop, and Goodio had visitors from Peru explaining what sustainability meant in their context. Mostly training seemed to relate to what the employees themselves brought to the table, with several companies mentioning that their employees had completed sustainability-related courses or degrees in school and that this knowledge could then be disseminated throughout the company.

> "Basically no, because we have this Sustainability Manager and I work a lot with her on the selection of suppliers and that's a big part of the selection process. I think it would mostly be through this, we don't have formal training for the business, no." Rebel Kitchen

> "I did my minor in sustainability and my Bachelor's thesis on the significance of corporate responsibility, but there's no outright sustainability training within the company." Ambronite

There was also the sense that training was more relevant for companies with sustainability issues and most companies felt that they understood what it was that they needed to do in their respective businesses. Goodio described, "We don't have this moment where it's like okay now let's start acting sustainably! If you have some challenges with sustainability then maybe it is a good practice to have, but we don't train our people separately for that."

Sustainability-related rewards and incentives were also not a common practice in use with the small businesses. Only one interviewee reported having a personal objective tied to sustainability as his goal was to increase direct sourcing from farmers. Otherwise incentives were

considered irrelevant either owing to the size of the business, employees' limited clout in that field, or the presumption that sustainability should come as a given.

> "Because we are so small at the moment, and we have a very direct communication, there is a common understanding of what do and don't want to do, so at the moment there is no need for specific incentives." Berlin Organics

> "We don't have them. Sustainability is so strongly in our DNA that around here we just call it a salary." Goodio

Sustainability performance management again was not a key element of TBL orientation in the case companies. Interviewees were asked about whether they systematically tracked any sustainability related KPIs such as food waste, food miles, energy or water consumption. Although many companies expressed interest in implementing KPIs, across the board they were not currently in use. Several companies measured their carbon footprint annually with the help of third-party providers and strove to make improvements year-on-year, however this was considered in the conceptual model to correlate more accurately with supply chain assessment/measurement and will thus be discussed more deeply in section 4.6.3. Many companies tried to be mindful of their continued sustainability performance, however formal management systems were not in place.

> "We don't have any KPIs, but we do have an excel where we track things very precisely and then we manage our warehouse with a logistics system and check our stock every day and try to think about what we'll do with the products that have their best before date coming up. Very little goes to waste and we partner with WeFood and student organizations to distribute the food." Baba Foods

> "We haven't completely analyzed it, but carbon emissions are something we are conscious of and we try and minimize transport." Squirrel Sisters

> "We don't have them, but it's something where we could think about whether it would make sense for us to set something distinct." Goodio

For the most part there were also limited policies or explicit sustainability strategies amongst the companies, although this was an area that was mentioned as being increasingly relevant as the companies grew. It should be noted that two of the companies only employed 2-3 people and as such it could be reasonably expected that they did not have such policies in place. Rebel Kitchen, tied for the largest case company headcount-wise, did have an explicit sustainability strategy that it publishes on its website highlighting the five key areas they plan to

address by 2025. Jalofoods also had an internal statement connected to their FSSC 22000 standard that outlines their present and future sustainability practices.

> "I have also been working for a bank, so I know that in a big corporate setting you have these big carved out plans or strategies for sustainability and CSR, etc. We don't have that so we're not working according to a policy as such. So far, we have seen that, I mean I think that currently my own impact in this company is large enough that I can foresee or make sure that there is some kind of threshold or a filter regarding how we make decisions about sourcing or whatnot. This is what it is. Going further yes I think at one point we probably need to put it in writing and make it more conscious, but not at the moment." La Muu

> "One of the things we've talked about is how to tie our company goals to the UN Sustainable development goals. They're not necessarily all relevant to our company, but I think we could probably set at least six out of the twelve as our objectives and that way concretize our sustainability a bit more." Ambronite

Finally, based on the assertion in the literature that sustainability should be a topic of daily conversation for TBL oriented firms, the interviewees were asked about whether this was the case within their companies. While formal policies were perhaps not so common, there was a strong sense in all companies that sustainability served as an underlying philosophy that permeated decisions whether or not it was a daily topic. Baba Foods emphasized that because everyone was in the same space and communication was so straightforward, it was easier to act sustainably and there was no need for active, formal reminders as sustainability was present in their activities all the time. There was a sense that overall even if the sustainability orientation was more 'casual', this didn't detract from its potency in the companies' operations and the work of its employees.

> "It's there every day, every hour, every minute – this is our core. You can't separate it, the idea is even in our company name. It's in our thoughts all the time because we commit to those values that company has. For us it would feel weird not to think about it all the time, but I guess some people are just so busy that they don't have time." Jalofoods

> "We think about it every day, it's everything – our marketing, our operations, basically it's all built around being sustainable." Goodio

> "Yes, it's almost everything we do, every decision we make we look at the impact it will have on sustainability. It could be the type of packaging that we use, the supply chain we have. So, we looked at the sustainability impact in all the decisions." Rebel Kitchen

4.2.2 Supply Chain Management

Within the context of the interviewees it was somewhat difficult to identify the exact extent to which the case companies have an SCM orientation. The interviewees were asked about how they managed their supply chains, what systems they used and overall how methodical they were in this regard. The findings varied quite widely as the case companies themselves had very different types of business models and supply chains, for example half of the companies outsourced their production while the other manufactured in-house. Perhaps naturally, there seemed to be a distinction between the size of the companies in regard to the resources they could assign to SCM and how systematic this management was. For example, Berlin Organics a company of three said:

> "At the moment it's still unsystematic to be honest, it's a demand triggered supply chain process that we follow. There's no scientific or systematic process in place. We look at the sales figures and project how long the supply will last, then it triggers new orders at the supplier. It's mostly me managing this."

On the other hand, Rebel Kitchen, with a headcount eight times the size, explained their SCM in these terms:

> "It's quite complex for a small company, we have five people in the Operations team. We manage everything from sourcing, shipping and getting the ingredients from Asia to the factories in the UK, delivery to the factory, production planning and scheduling, distribution to the customers. We have some software that we use as an ERP, we also have multiple bespoke tools based on Excel files."

For the majority of companies, SCM was considered fairly systematic and many of the sustainability-focused activities they engaged in necessitated SCM capabilities. Logistics optimization, demand planning, and production streamlining were used as tools to minimize waste, transport miles, and 'air' in shipments. Company size was mentioned several times as a factor that both made it more straightforward for companies to manage their supply chains and provided an incentive to be resourceful and efficient.

> "We use the Lemonsoft ERP system that includes warehousing and other elements. It's not just a stream of consciousness where we think "oops now our products have run out!", but rather it's very organized. Our operations are also pretty compact, which means it's easy to plan." Jalofoods

> "We can operate very effectively in the day-to-day, for example in regard to food or other waste. We don't have any interest in producing materials that won't be put straight to

use, or to make large batches if there is a risk that part of the batch won't be consumed, rather everything is optimized for use." Baba Foods

4.2.3 Proactivity and Innovation

Again, the extent to which the small case companies were proactive or innovative was not always easy to gage from their interviews. Understandably, many were reluctant to refer to themselves as innovative or proactive, and the terms in themselves can be quite vague or at least multi-interpretational. Even Rebel Kitchen, a company with strategic sustainability goals, numerous undergoing projects, and varied stakeholder engagement was wary of the term:

> "I don't know if it's innovative, I wouldn't say so I think we can describe our supply chain as very involved and maybe more than many companies our size. Lots of small businesses would have a full-service turnkey solution so their only supplier is the factory and they wouldn't have visibility on what's happening before this. So, we go quite far into the supply chain by sourcing and buying our ingredients directly and delivering them to the factories. That's the best way to categorize it."

However, when taking the companies' business operations at face value, it's clear that the majority can be considered proactive, innovative, or entrepreneurial. Whether it be filing the only patent application for chocolate in Finland (Goodio), producing the world's first and only Fairtrade and organic tofu (Jalofoods), or completely reconceptualizing their supply chain to include vegan ice cream (La Muu) – objectively it's safe to say that the companies are engaging in highly proactive behavior. Bar one company, all the interviewees felt that their company size was an asset that empowered them to make faster decisions, test out new ideas quickly, and provided critical flexibility. There was also the sense that their size enabled them to have a relatively larger positive impact as "steering the ship" didn't require enormous mobilization.

> "If you look up chocolate in the patent register then the only application you'll find is ours. You can really see that the speed to execute certain things and the courage to make those moves is on a totally different level than big firms – and I really know what I'm talking about. We are a lot quicker and a lot more agile, and of course it's just the laws of physics that if you are a big firm then there is a ton to do, otherwise they wouldn't be big. They can't just go around changing things all the time." Goodio

> "We are small enough that we don't need to have massive volumes, so for example with farmers we don't require thousands of hectares of certified land to make an impact, we can work with the volume we have and the suppliers, so maybe we have more opportunities than a bigger company, which has to do massive projects before they can say they've made a change." Rebel Kitchen

In the literature, some authors suggest that a proactive, entrepreneurial orientation allows companies to look past the confines of the resources at their disposal. While many companies were self-confessedly doing great things with limited resources, the question of resources did still frequently appear as a hindering force. Particularly, the smaller companies spoke of a lack of time, money, or manpower to execute new projects. Interestingly, what appeared even more commonly as a hindrance was inadequate structure or processes. A sort of dichotomy emerged in the interviews whereby companies consider themselves to be agile and flexible, yet unstructured and unsystematic. The need for more control, measurement, management, and detailed attention was seen as critical to not only successfully executing initiatives, but also to the continued growth of the companies.

> "The larger the company grows, the larger our projects get. It's getting to the point where we actually need to properly plan and we haven't perhaps had the best project management competence, we've been doing things like a small business and now we should do things more like a medium-sized business. But we've still managed to complete all of our projects, but they probably just tend to take a bit longer." Jalofoods

> "We are flexible and we can do things faster, but in most cases I think our processes are not as structured as they would be in big companies and also controlling and measuring of impacts is not as formalized or structured as in bigger companies, but it's just a question of manpower and time and money." Berlin Organics

> "The positive thing is that we can react fast and be close to the end user and their needs, and in that way push change forward. The challenge is the resource side and measuring and monitoring certain things, we don't necessarily have resources for that since we need those resources to get something done in the first place. So, it's not necessarily very exactly known, or measured, or monitored. Basically, this is a team of one." Ambronite

In a few cases, size was seen as a complete roadblock that completely inhibited projects, even when the innovative idea and impetus to execute were present. For example, in the case of La Muu, despite enthusiasm from the company, the solutions on the market for reusing the heat generated from their freezers were completely outside of the financial realm of possibility. Sometimes, there was also frustration that the lack of resources or clout over suppliers meant that companies were confined to the options available on the market and could not develop solutions themselves or pressure suppliers to do so.

> "We would like to make the right decisions, but I think that this is also something where we must acknowledge that starting from scratch and gradually building the company there are several occasions where we see that we don't have the scale enough to make full-fledged sustainable decisions. For example, when we moved to this building our first choice would have been to reuse the heat that is generated from the freezers. It makes a lot of sense to use this heat for warming up cold water that you would need for your washing and cleaning systems, but when we asked for the solution for that, all the solutions were price and expense-wise so out of reach for us." La Muu

> "One of the things holding us back is that for example a large producer can just go to the packaging supplier and ask them to pitch something more sustainable, but we as a small company can't do that. We have to choose from what's on the market, and sometimes the options are limited." Berlin Organics

4.3 Reconceptualization

Reconceptualization is a rethinking and restructuring of what the supply chain does, how it does it, and who is included. Typical examples of reconceptualization often include practices like redesign of products and services, reverse logistics processes and integrating new stakeholders into the chain. When looking at reconceptualization from the point of view of the case companies, it is important to note that six out of eight companies were five years old or younger at the time of writing, meaning that many were still in the early stages of growing and conceptualizing their businesses. Especially, with many having been built upon a sustainability ethos, the need for reconceptualization was not necessarily as pertinent as it may be for companies with longer histories, and as such there was perhaps more focus on the how and who rather than the what. Only one company had a more radical what reconceptualization, which was the case of La Muu transforming their supply chain to produce vegan ice creams in order to address the sustainability concerns of dairy ice cream.

Regardless, there were still clear patterns that could be identified from the interviews. Packaging came up in almost every single interview, with many interviewees naming it as their company's biggest challenge and focus. There was a distinct motivation to move away from plastics towards more renewable materials such as carton and paper, or at the least to more recyclable plastics, and to reassess packaging sizes and material usage. Changes in packaging frequently entail a significant reconceptualization of both the chain and products, since companies potentially need to evaluate their suppliers' capabilities, product shelf life, as well as printing and

design, among other things. Squirrel Sisters and Ambronite describe the complex nature of making such decisions:

> "We're looking to move away from the tray, even though it is paper and fully recyclable, we want to reduce our packaging but at the moment our manufacturer doesn't have the capabilities to wrap the bars without the tray, so that's one challenge we have and that's why we're looking at formats of the bar to move away from the tray but also other manufacturers who are able to do that without needing the tray, therefore reducing our packaging. Also the challenge with going completely plastic free next year is that the paper packaging will affect our shelf-life and also we'll have to look at changing our printing because they can't print some of the colors onto the new material, and obviously that is quite a big issue for us because we're a small business and we need that standout on shelf, so it's quite a hard decision to make." Squirrel Sisters

> "Moving to new packaging had a big impact on our whole supply chain as we had to start cooperation with a new partner who had better capabilities to pack in more sustainable packaging. We are proactively trying to search for even more sustainable packaging materials, but one problem is that their shelf life is shorter than the shelf life of our product. And then they're not as airtight so that affects how air and the nutritional elements of our product interact and so the levels may not stay the same as what we are promising." Ambronite

Another reconceptualization focus for companies was restructuring their chains so that sourcing occurred closer to the producer/farmer. Often this was a lengthy, resource-intensive process that included systematically cutting out middlemen and developing new, direct relationships with producers. For some companies this was an active, ongoing process, while for others it was a pipedream that, in their words, necessitated more growth before it could be realized. Nevertheless, closer sourcing was an issue or priority that came up in seven out of eight interviews.

> "This has lasted three years, and we've been there in Peru numerous times to set up the supply chain. We've visited almost all of the farms and our partner has visited almost all of them. It takes years to build it up to the level where you can really trust that it's sustainable and if you ask them a question that you can trust the answer." Goodio

> "The supply chain is quite price sensitive with ingredients so they're [the manufacturing partner] probably not always able to make the most sustainable choice, but hopefully as we grow we'll be able to have more of a say over it and we definitely want to be closer to the people that actually grow our ingredients because they are all grown." Squirrel Sisters

The third reconceptualization practice was inclusion of new stakeholders into the chain. Although expanding the who was not very common across the companies, three companies

explicitly mentioned that they were working with charities to manage and distribute any leftover products in order to minimize food waste. Several other companies had partnerships with NGOs or other entities, however these were more on an ad hoc, limited time basis, rather than as an actual integration into the chain structure as was the case with food waste.

> "For food waste we work with a charity in London to use excess production, because we are dealing with fresh products like yoghurt and coconut water that has a relatively short shelf life and it can happen that we produce more than our customers order for that week so we work with a charity to distribute the excess food, our aim is to not dispose of any finished product." Rebel Kitchen

Finally, in many cases much of the reconceptualization of the chain could be described as less revolutionary and more incremental, but still critical to eventually implementing more advanced changes. Jalofoods described how their activities had consciously become sturdier, with increased analysis, documentation, and digitalization, which enabled them to operate in a better way. Similarly, Goodio found that accumulating in-house expertise and deploying new systems and processes made it possible for them to pursue their strategy of radical transparency, which meant they could go beyond just sourcing certified products to really looking at how to implement transparency throughout the chain. Overall, there was a sense that reconceptualization was often seen in the context of setting the company up for positive growth and for sustainability success in the next phase.

> "I just think it's being more aware of it and making small changes which hopefully result in bigger changes overall or just mean that as we grow, we're doing things in the right way. Trying to be more aware and looking for ways to do things differently." Squirrel Sisters

> "So now when we are expanding, the next step we are doing, and the next plant we will have then yes we can already build and integrate this into this and say that we are consciously using resources." La Muu

4.4 Continuity

The second structural category in the conceptual model was continuity, which as the name suggests entails the construction of a supply chain structure that supports longevity in supplier and partner relationships. In accordance with the model, interviewees were asked about their partner selection, partner development, and the building of long-term relationships.

4.4.1 SC Partner Selection

The primary thing that stood out from discussion around partner selection was its informality in the case companies. By and large, for the majority of companies (six out of eight) the selection process itself had no formal sustainability criteria and partners were selected on a case-by-case basis. Many companies had strict criteria for quality and performance, however these did not seem to extend to sustainability. That is not to say that the companies didn't do their due diligence or have any informal criteria, but rather they were often more abstract and based on the personal chemistry between individuals. For example, transparency, continuity, reliability, and accessibility, i.e. the possibility to visit the factory/farm were all cited as sustainability-related considerations.

> "They need to be a good person, things need to run smoothly, and the trust needs to be built. We are doing this as entrepreneurs, so we don't have any kind of manual, it's pretty personal." Baba Foods

> "No formal criteria. At the moment it all comes down to the personal relationship and contact and also to get to know the people and through that we can already tell what kind of mindset they have." Berlin Organics

> "At the beginning it was more sort of a nice to have, but as we've grown in the business it's becoming increasingly important to us and obviously our awareness of how we can make a difference has grown as well. So, I suppose we would always ask now what people are doing to be sustainable and definitely we would prefer, let's say we were looking at two suppliers, we would prefer the one which was more sustainable or had practices in place." Squirrel Sisters

In some instances, strict criteria were also considered too limiting given the size of the company and the challenges they already faced with finding suitable partners. The pool of potential partners was regarded as so small that adding additional sustainability 'tests' or checklists might constitute a business risk. This was particularly the case with La Muu, who also felt it was one of the main challenges of organic certification.

> "When you have decided to limit your product to a certain either technology or raw material such as organic then it is a fairly narrow niche where there aren't too many producers, so basically the first challenge is to find someone who has a good raw material or solution, and once you have found that it is very likely that you will stick to that. You don't have the luxury of shopping around." La Muu

> "It's a question of size, we're not big enough yet and our demand or turnover and output is not big enough to limit ourselves with this kind of strict code, so we have to basically decide on a case-by-case basis." Berlin Organics

> "No, no nothing like that for us [formal criteria]. We're also so small that actually our pool of suppliers that we can work with is fairly limited because you know we are a small business." Squirrel Sisters

Sometimes there was also just the notion that formal selection criteria weren't a relevant tool for the company, as was the case with Jalofoods who questioned their lack of flexibility. As the interviewee described:

> "You can't really say "these criteria" since we don't do competitive tendering, and so it kind of feels like we don't need them. Maybe if we tendered this and that, but the fact of the matter is that Austrian soybeans aren't even the same as French or Brazilian soybeans so you can't just set certain criteria." Jalofoods

As mentioned, there were two companies that did use formal criteria, however as so far as one could be found, the common denominator seemed to be in-house expertise that enabled the use of such tools. Rebel Kitchen sent all potential suppliers a sustainability questionnaire with a large number of questions about the company, their employees, their suppliers, the programs they have, their energy and waste management, carbon emissions, etc. This extended as far down the supply chain as possible to the potential suppliers' sourcing policies and their relationships with farmers. Similarly, Goodio had a supplier acceptance process with a sort of light supplier code of conduct that checks for company values, certifications, and other requirements. Both companies could implement these relatively easily as Rebel Kitchen had a dedicated sustainability manager who was charged with helping manage the selection process, while Goodio's CEO had useful experience working in the food industry.

> "It's pretty basic [criteria], but I have a relatively extensive background in the food industry so I have quite a few of these frameworks in my back pocket, and so it doesn't really require as much effort to implement as some others might need." Goodio

In some cases, even were strict criteria did not exist, there was recognition of their potential utility. When discussing the measuring of different sustainability metrics within the company, Ambronite noted that developing and honing more advanced metrics could also prove beneficial in evaluating suppliers through a more analytical lens, rather than relying on conversations to

determine suitability. Regardless of how informal or formal the process was, across the board supplier selection was considered a very important, or even the most important, sustainability practice for the case companies. As Rebel Kitchen describes:

> "The most important [challenge] is the selection process and making sure we have the right partners that understand our values and are willing to be on this journey together."

Reduced Supplier Base

In the literature supplier selection is commonly linked to a reduction in supplier base, with the assumption that cooperating with fewer suppliers/partners can lead to improved sustainability performance. Consequently, interviewees were also asked about whether reducing their supplier base had been or was a priority for the company. In all of the interviews streamlining was acknowledged as a former or current intention, however the reasoning behind minimizing the number of partners varied. It was associated with the objectives of buying closer to the producer, increasing simplicity and management of the chain, as well as having more collaborative relationships. As with supplier selection, there were clearly both SCM and SSCM motivations, given that reduced supplier base was explicitly recognized as a sustainability concern, but also as critical to managing a smaller business with limited resources.

> "We are trying to streamline some of them, but I think it's for the sake of having more personal relationships with them. To avoid these types of just transactional relationships but rather to work on some product development together." La Muu

> "We have this value or principle of simplicity and we believe that simplicity is a key foundation for creating sustainability. So, we'd rather have fewer partners as often less really is more when it comes to sustainability. It's also that the more partners you have, the harder it is to keep everything together." Ambronite

> "If you draw a supply chain process map for our main ingredient cacao, which comes from Peru, you'll see the farmer, then the cooperative that refines the beans, then our partner in Peru who buys, imports, and sells them to us. That's four steps and that's the minimum we've been able to achieve." Goodio

> "We're looking at streamlining this at the moment because it is a bit overcomplicated for a business our size, so we are probably going to consolidate to one warehouse that can do everything." Squirrel Sisters

4.4.2 Partner Development

Perhaps expectedly for small businesses, partner development did not arise as a particularly common SSCM practice, although it did occur in the sample. Out of the eight companies, only two had provided capital investments or training to their partners, with two additional companies considering it, but opting not to for the moment. The first company, Goodio, had worked with their cacao bean suppliers at the farm level to increase awareness of hygienic practices and had sponsored purchases of equipment at the farms. The interviewee felt that they had made considerable investments relative to the size of their company. The second company, Rebel Kitchen, had invested with their factory to set up a new specialized production line that enabled the segregation of non-dairy yoghurt from the dairy production. Although not directly sustainability related, one could view the investment as promoting veganism and the production of more environmentally friendly plant-based alternatives. Jalofoods had also considered partner development, as explained in the following quote:

> "We've talked about acquiring packaging equipment together with the supplier in Brazil, but we haven't actually made any investments into our partners' activities. We've also been asked to invest into one supplier company, they were in financial trouble and selling shares, but at the time it felt pretty cumbersome to go down in the value chain and basically own a part of another company. However, through the Fairtrade premium investments are made at the farm level, so that's our fee." Jalofoods

Jalofoods example highlights how taking part in an initiative or certification that supports fair wages can be a more accessible approach for smaller businesses in developing partners' operations, albeit quite indirectly. The four companies that were engaging in or actively considering partner development were among the largest companies in the sample headcount-wise, indicating that partner development is likely among other things a resource issue. Notably, they were also all managing their supply chains fairly independently and had direct relationships with suppliers, as opposed to several other case companies that outsourced both production and sourcing to a partner and did not engage in partner development.

4.4.3 Long-term Relationships

The third practice within the continuity category was the building of long-term relationships. For all eight companies, longevity was something they considered important and were actively pursuing in their relationships. While the length of individual contracts and relationships naturally

varied, all interviewees mentioned that there were partners with whom the company had been working with since its foundation.

> "Most of them are long-term partnership and relationships so they kind of grow with us. For example, the coconut water supplier has been with us since the beginning. It's the same for most of our factories and suppliers." Rebel Kitchen

> "We have a really close relationship with our factory and our packaging suppliers because we've worked with them from the beginning. We always try and work toward long-term relationships because it's better for everyone, so that's why it's nice that we've been with the same manufacturer from the beginning." Squirrel Sisters

For some companies, longevity was even a value in and of itself. Jalofoods equated longevity to sustainability and considered it an intrinsic part of operating responsibly. Similarly, Rebel Kitchen and Berlin Organics were both B Corp certified, and part of the certification was a long-term commitment to suppliers, as Rebel Kitchen describes, "It's also one criteria to the B Corp certification to have long-standing relationships to suppliers, so when possible we aim to maintain those."

Long-term relationships were described as mutually beneficial, trusting, and collaborative, but also requiring significant time and resources to establish. Consequently, this meant that companies had a stronger incentive to maintain relationships in order to avoid sunk costs. As Ambronite explained, "We try to maintain long-term relationships so long as they can serve our needs, but the starting point is always that we can resolve issues with our existing suppliers. Building a good partnership requires so many resources that when it functions, it's much easier to work together to see what can be improved. Things don't necessarily get better by changing partners so when you find that mutual trust it's really valuable." Commitment to long-term relationships was also evident in the way interviewees discussed sustainability issues or contract violations at the supplier. While no case company had experienced such a problem, across the board there was a sense that as long as the issue wasn't super severe, i.e. lying or illegalities, the primary resolution should always be to work together.

> "Hypothetically I could say that if we noticed some kind of transgression, we would intervene and work with the partner to get them to improve their operations, but nothing concrete like this has actually happened." Ambronite

> "Our starting point is always that we've failed together with the partner, unless there is lying then of course it's game over. But if we suddenly notice there is a misalignment between our understandings of what was meant to be done, then of course we will first work to see if we can continue together, but sustainability is our number one principle so then we would have to end our cooperation if it doesn't match our values." Goodio

The commitment to working together long-term was often linked back to the original partner selection process and the importance of making the right decisions in the first place. The stress placed on selection in the form of personal chemistry and mutual trust, is likely one main reason why the companies found long-term relationships easy to maintain and hadn't experienced any sustainability issues within those relationships. Rebel Kitchen highlighted this: "We've tried to build long-term relationships with a kind of long approval process for selecting suppliers. So, we will look at lots of aspects before we decide to work with them. If we find out there are some practices we don't like at the farms then we would try to change them. We have quite an open relationship with our suppliers about this and they know this is important to us and they work with us and we've visited the farms, so we haven't had any problems yet." Goodio also felt that the ease of finding good partners to work with, and the experienced closeness and trust, derived from working in a smaller, more "hippie" industry where people often know each other and had longer mutual histories. He felt that partner relationships at Goodio were closer than in the food industry in general.

4.5 Collaboration

Collaboration overlaps into both the supply chain structure and process categories and looks at the extent to which companies have a relationship built on direct communication, knowledge transfer, and trust, among other things. In the context of SMEs, the question is often whether small businesses have the clout to determine the level of closeness with their partners, particularly where larger ones are concerned.

With the case companies it was very evident that especially primary relationships (i.e. main ingredient suppliers or product manufacturers) were for the most part highly collaborative, however this wasn't necessarily always evidenced by the practices in the conceptual model such as technical integration. In general, the companies reported that their relationships were very close and trustworthy, and that trust was sometimes even the basis of sustainability in lieu of other more coercive or assessment-based methods. For example, when discussing second tier suppliers,

several companies mentioned that they didn't need to influence or even know their sub-suppliers as they trusted their first-tier suppliers to make appropriate choices.

> "We could probably get the details about our sub-suppliers, but because sometimes our manufacturer buys from different sources and we have quite a number of ingredients we trust that he is getting the right stuff that is ethically sound." Squirrel Sisters

> "Why should we choose our sub-suppliers, our suppliers know much better than us and how the heck would we know about some farmers in the French valley, it feels weird. Our criteria is organic as well as some quality criteria and they can guarantee that and we trust them. I think monitoring is more for larger corporations or then those that buy from wholesalers." Jalofoods

Overall, company size was less of a factor in collaboration than might have been expected from the literature, and there were only a few instances where companies felt that the relationship was hindered by the disparity in size between the company and its partner. For example, although not strictly sustainability related, Squirrel Sisters had to terminate a contract with their large warehouse provider as they admittedly could not provide adequate attention to execute their tasks properly. Berlin Organics and Rebel Kitchen also felt that at times they were less of a priority with larger companies, however Rebel Kitchen described it as, "it's kind of a mix, we have a good relationship with the people we want to and sometimes we just have to deal with being a smaller player for others". Interestingly though, they also mentioned that there were some large companies that were especially supportive, stating: "Some large suppliers will decide to support us because they see the growth in alternative or challenger brands and they want to offer their services to us because they see that their bigger customers are stagnating so they're developing their strategy to this." In general, there was some disparity in how size was viewed in regard to the closeness or collaborative nature of the relationship, with on the one hand Baba Foods and others feeling that relationships with smaller companies were more beneficial, and La Muu believing the opposite. Jalofoods understood it more as a personal thing, with the relationship being largely predicated on the individuals in charge and their propensity to collaborate.

> "This is a bit counter intuitive, but you usually get more flexibility working with big suppliers, they've thought it through, and they have a customer relationship system and they have variety, they have time for you. You would think that if it's a small player they are much more flexible, but usually small players are on a survival mode, they're doing their thing and basically take it or leave it." La Muu

> "We have many larger suppliers, but the best relationships in the day-to-day are when we're basically about the same size, so that's what we've aspired to when searching for our suppliers, the criteria that we are somehow on equal footing. Maybe that's why we haven't had any difficulties with sustainability collaboration." Baba Foods

For the most part though, across the spectrum of size, companies felt that they had influence over the primary suppliers with whom they had the most collaborative relationships and could successfully request changes to for example sub-suppliers based on sustainability requirements, should the need arise. Ambronite expressed that despite the fact that their purchasing volumes were relatively small, suppliers still wanted to inquire their input when considering the development of new, more sustainable solutions. Similarly, Jalofoods felt that their voice was much louder than their size. As illustrated in the quote below, Berlin Organics also felt that their requirements were taken seriously:

> "Oh yea, that's a benefit of working with the partners we work with, we have the possibility to state our requirements and they most often look into our requirements and try to make it possible. Of course, it's always a mutual discussion of what is possible and what is not possible, but in most cases, we are trying to realize this."

4.5.1 Technical and Logistical Integration

Technical and logistical integration with partners refers to joint IT infrastructure or planning and forecasting processes that enable deeper collaboration on social or environmental issues, but also potentially ease the assessment of partners' behavior. Amongst the case companies, integration of this kind was very limited and in fact there were no examples of upstream integration with suppliers. Multiple companies had joint IT infrastructure such as ERP systems, however this was predominantly downstream with warehouses or logistics/distribution partners and focused on traditional supply chain management, with no distinct sustainability element. Two companies, Jalofoods and Goodio, had researched the possibility of integrating upstream suppliers through new technologies such as blockchain in order to increase traceability, however nothing had been implemented yet.

> "I understand what this is referring to, but integration isn't really even possible. We've talked a bit about things like blockchain for food traceability, but it feels a bit weird like is it again just this nice technology thing. I mean I don't know; some people get so enthusiastic like now let's trace everything, but traceability has its limits and at the end of the day it's about trust, you have to trust your suppliers." Jalofoods

4.5.2 Joint Development

Joint development was a more prevalent practice for the case companies when compared to integration and there were numerous examples of the companies working together with their partners to develop more environmentally and socially sustainable solutions. Packaging was the most frequently mentioned joint development "target", with four interviewees highlighting it as a space where they would collaborate with their partners on materials, sizes, and layouts. In this context collaboration was predominantly related to research and design, as the companies did not have the resources to develop new technologies or materials themselves.

> "If we think about our packaging suppliers and the recyclable or recycled nature of the materials, often it's brainstorming and researching together with the partner to see if there are technologies available on the market to make a more sustainable solution and then figuring out whether it's a technology issue, or a capabilities issue, or an investment issue." Ambronite

> "I suppose the thing that comes to mind is the logistical wrapping of the tray so that's something that we're working on in general with partners so looking at okay what machinery would you need to do that etc., although we can't invest ourselves." Squirrel Sisters

Two companies were also working together with their ingredient suppliers on sustainability issues, however as with partner development this was limited to those companies that sourced their ingredients themselves. Rebel Kitchen was in the process of starting a project with its coconut suppliers and the consulting company PUR Projet to identify and implement sustainability improvements at the farm and factory levels. Goodio had a very tight knit cooperation with the entity that purchased and sold them their cacao beans, as they were involved with helping develop supply chain management, sustainability, and quality assurance processes. Additionally, Goodio had ongoing development initiatives at the cooperative and farm levels and was considering building production facilities with the cooperative in Peru. Interestingly, Jalofoods also considered their organic and Fairtrade certifications as a type of joint development since they required close cooperation with their ingredient suppliers, however this cannot be generalized since certifications don't automatically correlate with a direct supplier-buyer relationship.

4.5.3 Enhanced Communication

Enhanced communication is a slightly vague practice as the idea seems to be that a close relationship with frequent communication will make it simpler to collaborate on sustainability issues within the supply chain. However, it is unclear in the literature what level of communication should be considered a prerequisite for sustainable behavior. Nevertheless, interviewees were asked about how frequently they communicated with their partners, and the answers varied from daily to about once a week for primary partners. It was clear that the closeness described in terms of building long-term relationships also extended to the ways in which the case companies communicated, though it should be noted this communication did not relate solely to sustainability issues, but rather covered all topics.

> "Depends on the partner, but with the warehouse/logistics almost daily. With the producer depends on the project and what is going on, but almost every week, once a week." Berlin Organics

> "I work with our partners on a daily basis. We are in contact a lot and the communication flows really well both ways at the moment." Ambronite

The main collaboration challenges that came up in the interviews were also related to communication. Jalofoods detailed that an occasional issue was how openly partners were communicating and whether the information could be trusted, however the interviewee added that they had known their partners so long that they could speak very directly and didn't need to beat around the bush. Similarly, Rebel Kitchen felt that the biggest collaboration challenge was working with different cultures, for example in Asia, although the interviewee also mentioned that in this case, they had good relationships and were in frequent contact, which mitigated any issues.

4.6 Assessment

In the modified conceptual model, the new category assessment serves to counterbalance the more cooperative practices included in the continuity and collaboration categories. In the literature, the three practices - standards/certifications, monitoring, and measuring - represent the more 'coercive' types of supply chain practices not built upon the idea of working closely together. That being said, it was identified multiple times in the interviews that certifications such as organic and

Fairtrade were in fact considered to be highly collaborative practices by some of the companies. Below the practices will be discussed in more detail.

4.6.1 Standards and Certifications

All of the companies were asked about any standards or certifications they had employed, either their own or third party. Own standards referred primarily to supplier codes of conduct or other similar standards that the company had developed or employed themselves. It was quite quickly evident that these types of standards were not in use by the companies. Other than Goodio, which used a sort of light SCoC mainly for partner selection purposes, none of the companies were implementing their own standards within the supply chain. Although there was interest in SCoCs "sometime in the future", and one company was in fact pursuing the development of their own SCoC, by and large these were considered irrelevant for small businesses. There was also the question of resources, both for developing their own standards and for supervising them. As Jalofoods described:

> "We don't have our own codes of conduct because how would we monitor them? The fact that some guy somewhere signs something, how in the world would we know whether he is just a crook. Of course, if we know the person, and many of our suppliers we do know personally, but still the idea that the responsibility is just in some really long agreement that this supplier has agreed to, it doesn't sit with us. That's why we rely on the third-party certifications like organic."

The more common experience companies had with SCoCs was being at the receiving end of them. Several companies mentioned that large retailers had asked them to sign agreements and comply to certain standards, however as mentioned in section 4.1.2 in regard to external drivers, this again occurred only in the Finnish context.

Third party certifications and standards were much more common amongst the companies, although these were mainly used to certify the product rather than as a management system tool within the company. For example, standards like BSCI Amfori and ISO 14001, prevalent among larger companies for managing their supply chains, were not on the radar for the case companies or used by a single company at the present time, although similar standards for food safety like FSSC 22000 were. The one, more well-rounded certification that might be considered a type of sustainability management system was the B Corp certification, which evaluates a company's overall impact on its workers, customers, community, and environment and must be verified every

three years. Two companies were B Corp certified and a third was planning on undergoing certification in the near future. As Rebel Kitchen and Berlin Organics describe, the certification is well-rounded and used as both a guide and a benchmark for assessing behavior within the firm:

> "So, B Corp would be one [certification]. We try to assess everything from the supplier selection, to everything else that we do and see what impact it would have one our B Corp score. If it improves it then good, if it doesn't then we won't do it." Rebel Kitchen

> "B Corp basically looks at the whole company and your sustainability gets measured on all aspects of the business model and that's the thing that we found is very interesting and that's how it should be in our opinion, rather than just having one single management system like Fairtrade that only looks at the raw material for example but doesn't look at the rest of the business model." Berlin Organics

Third party certifications such as organic and Fairtrade really divided opinion amongst the case companies. For some they were an imperative – closely tied to the strategic values of the company and its normative internal drivers. Interviewees mentioned that they couldn't and wouldn't have it any other way and that certification was an integral part of the founding of the company:

> "We believe in organic and that is the only thing we want to produce and the common denominator for organic food is the EU organic label, so that was pretty clear from the beginning that we want to do this and we only want to do that." Berlin Organics

> "We've been organic since the beginning, it's clean, pesticide-free, good for the health. We also wanted Fairtrade so that the premium goes to the farmers, that's the social and human ethics side of it. They overlap a lot, but for us it's a holistic thing and our mission is supporting the wellbeing of people and the environment, so these certifications go together perfectly with that." Jalofoods

Those companies that were utilizing certifications saw them as a distinct advantage, both in terms of business and SSCM. Interviewees mentioned that it differentiated the product in the market and made communication with and marketing to customers easier as they could back up claims with concrete evidence since customers, both retailers and consumers, were aware of the certifications. On the SCM side, certifications provided a level of traceability in the supply chain that would otherwise have been difficult to achieve and sourcing e.g. organic or Fairtrade meant that firms were relinquished of some of the work needed otherwise to guarantee the sustainability of their chains. Although, as La Muu admitted, there was sometimes a temptation to assume that a

certification was applicable to areas not explicitly included, as was the case with organic certification and socially sustainable production.

> "All the operations have to be organic, from the ingredient supplier to the factory where we make the product has to be certified, the warehouses as well, it is a good certification, a good thing, it forces us to have great traceability so we know where each ingredient, each batch comes from and where it goes to, so it's very important for us... I would say also that the suppliers that are organic certified have already made the steps towards working with better practices because if you do this for the planet it means that you are aware of why you are doing it and it puts you in a certain mindset." Rebel Kitchen

> "It helps our supply chain management in the sense that we only source organic products and by only sourcing organic products we can already be sure, or more or less sure that we receive products in a certain quality at least when it comes to pesticides and these kinds of things, so that's one box ticked." Berlin Organics

> "We prefer Fairtrade, but it's not always available – we have a few but it's not a strict policy. We don't have knowledge or a certificate about whether this organic ingredient has been produced with local working conditions in mind. We have a general assumption that when it's organic you have a conscious production, but it's just an assumption that in many cases we cannot verify." La Muu

Another interesting thing that came up in the interviews was the usefulness of the ecosystems built around the certifications. Discussed in more detail in section 4.8 on learning, several interviewees mentioned that certifications bodies could be a vital source of knowledge and information. As Goodio explained:

> "Fairtrade definitely isn't just a 'nice to have', rather they are great partners from a sustainability messaging perspective, and they have an enormous amount of expertise on sustainability auditing and other practices, so it's a critical part of the ecosystem."

For those companies not employing certifications, the primary reasons were related to their cost (both for themselves and for farmers) and the possibility of finding similar quality ingredients without the certification. For example, Baba Foods said that the infrastructure at their current production facility was not conducive to organic production and that they would have to wait until they potentially moved to a new facility to consider certification. Squirrel Sisters was skeptical about both the cost and value, and explained:

> "They charge a lot of money for those things and actually you don't necessarily need to be, I mean we do use organic ingredients, but we're not 100% organic, but that is also

> because a lot of suppliers can't afford to be certified organic, and although it may be the same quality or actually be organic basically, they can't afford to do that as smaller suppliers. And with Fairtrade it's kind of similar, it's such a big thing now that it's quite expensive for people to be a part of, and that's why in the future we would just like to get closer to our ingredients and make sure that, you know that, not necessarily organic or Fairtrade, but make sure that we're happy with the way they are sourced and also you know the treatment of the people who are working for the businesses who are growing those ingredients as well."

4.6.2 Monitoring

Although many of the companies had visited certain partners in some capacity, for the most part these could not be considered as falling under the sustainability monitoring category (auditing and interventions) and might be more accurately described as relationship management or partner selection. Four out of eight companies had not visited their partners at all with the intent of monitoring sustainability, three had carried out informal visits that were related somewhat to sustainability, and only one had personally undertaken a formal audit. It should be noted that several companies had other types of formal audits in place, e.g. for food quality or safety, however only Rebel Kitchen did so for sustainability by hiring an external agency to conduct the audit. In regard to the formal audit and the more informal visits, the common factor between them was that these were only done for the main or most important ingredients. So, for example in the case of Jalofoods it was soybeans, for Goodio it was cacao, and coconuts for Rebel Kitchen. The most common reasons cited for why auditing was so limited, and why it was limited to one or two ingredients suppliers, was the costs associated with it in terms of money and time. As Berlin Organics said, "We don't have the possibility to do that yet. Just a very practical question of time and money, there is no option for us to do it right now." Baba Foods mentioned that these were big resource decisions and would necessitate significant planning, particularly if the supplier was overseas, so thus far they had only made visits as a part of supplier selection. Goodio agreed that it was primarily a question of resources, particularly since some of their suppliers were located in very remote areas that required multiple flights and long car journeys to reach. That being said, they also noted that one of the benefits of being a small company was that their CEO could hypothetically visit all of their partners within a year for example, whereas this would be completely impossible for larger organizations with more complex chains.

Even for Rebel Kitchen, the formal audit they conducted was deemed a large cost, "You need people who know how to check and what to check and it comes with a cost to use external

people like this.", and the interviewee gave the impression that the audit was more of a one-time occurrence than a continued practice. Overall, the absence of in-house knowledge seemed to be a critical challenge for auditing, although numerous interviewees highlighted that they would like to develop more systematic processes. The desire was not to have strict, pass/fail types of auditing procedures, but rather more collaborative processes that also facilitated inter-organizational learning and uncovered areas where the companies could help:

> "We don't have any formal auditing process for the farms and that is something that we should develop. However not so that it is some strict process where we see if they passed the test, rather establishing what is going on and seeming where we can help." Goodio

There was also some mention in the interviews that formal audits undertaken by the case company were not needed when taking into account the audits conducted by certification bodies. For example, Jalofoods mentioned that while they frequently had informal visits with suppliers, official audits were taken care of by third parties such as Fairtrade, their organic certification, and in the future the Europe Soya standard. They still felt that their informal visits were an important piece of the puzzle, but more so as a way of establishing connections and building relationships. Similarly, Goodio actually mentioned that one of the reasons they were becoming Fairtrade certified was to ease the auditing of their supply chain and expand it beyond cacao: "At the moment our whole focus has been on cacao and that it also the reason why we want the support of Fairtrade. We can't be everywhere, there are only 20 of us and everyone has a lot of other stuff to do, so in practice we are pretty stuck, and cacao has been the thing we've focused on."

4.6.3 Measuring

The final assessment practice is measuring, which in the conceptual model referred primarily to methods such as life cycle assessment. It was identified in the interviews that none of the companies had used LCA to measure the environmental impact of their supply chains, however two companies had measured their carbon footprint with the help of an external agency and two others had estimated their approximate overall impact through the B Corp certification and the Upright Project. Both Rebel Kitchen and Jalofoods, the companies that were measuring their carbon footprint were also offsetting all of their emissions:

> "We're working with a company to measure the carbon emissions from our supply chain and all the movements, where it's produced and how it's produced and to compensate those emissions so that we can be carbon neutral." Rebel Kitchen

> "MyClimate measured our footprint and we'll measure it again once this year is over. The compensation is based on what our footprint is, but there are standards behind it so it's not completely company specific. Organic and Fairtrade reduce them, but it's anyway very small." Jalofoods

Although there was interest from several companies regarding measuring their impact, mainly in terms of carbon footprint, the primary justification for why companies were currently not doing so was related to their size and resources. As La Muu stated, "I think that it's a question of the notion that we are a small player and the impact hasn't been that big and that our focus has been on getting the right product out there, but going further it's becoming much more central and important to us." Along the same lines, Goodio was contemplating whether they should measure their impact but also felt that their operations were still so simple and small-scale that they could quite easily observe their impacts. Even Jalofoods echoed this sentiment, "We had the measurement and it was done by an external partner, now we also did it externally with MyClimate, but we did it a bit lighter since we know that it is so low so there is no use in optimizing to the last decimal and using an enormous amount of time on it, but rather just to know the big picture and is it an adequate level and so on."

4.7 Stakeholder Management and Learning

The final practices in the conceptual model were considered continuous practices that occur throughout the various stages of SSCM and influence behavior and values on an iterative basis. There is considerable overlap between stakeholder management and learning as both relate to actively cooperating with chain members and other external stakeholders and incorporating their knowledge into the company's operations. As discussed in section 4.1.2 on drivers, the case companies were experiencing fairly minimal stakeholder sustainability pressures or requests, and these were limited mainly to customers and retailers. Correspondingly, the companies did not feel a strong need to engage in proactive stakeholder management, in the sense of acting to satisfy the needs or expectations of stakeholders. Stakeholder management pertained mostly to communicating with customers through social media and appeasing retailers by providing documentation and responding to other requests. That being said, many of the case companies still

interacted frequently with stakeholders in their ecosystems, but more for learning, networking, or other purposes. The interviews revealed that five out of eight companies were highly active in engaging with and learning from stakeholders, while three were somewhat active.

The most frequently mentioned external sources for SSCM learning were business networks, supply chain members, and certification bodies. Seven out of eight companies responded that they attended informational as well as networking events related to sustainability and spoke frequently to other founders and industry people about the topic. For example, Squirrel Sisters had found out about the B Corp certification through their discussions with other founders and the tight knit business community that had formed around B Corp certification was very important to Rebel Kitchen as they organized many events throughout the year. Notably, Baba Foods also mentioned that if they were to pursue measuring of their supply chain impacts, the first place they would go for information would be the businesses in their network.

> "We do go to networking events, conferences, informal talks with other founders, that's all part of the daily business so yes of course on those occasions you always learn new things about SSCM." Berlin Organics

> "Our idea is that we don't have competitors, we just have businesses that are operating in the same industry. So, we've spoken many times with Fazer for example about sustainability, and what their work in the field is like." Goodio

The second most important stakeholders in regard to learning were other chain members, both up and downstream, which highlighted the emphasis in the literature that inter-organizational learning is a core element of collaboration. In Finland, several companies had spoken with their retail customers such as Kesko and S-Group about sustainability issues and considered them a useful source of information. More common though was engagement with upstream suppliers and partners, and five companies explicitly cited them as a source of knowledge. Ambronite mentioned that one of their manufacturing partners was pursuing the ISO 22000 certification and this was increasing their own understanding about sustainability measures that could be taken on the production side. Similarly, Baba Foods wanted to visit their tahini supplier more frequently as they felt that since the supplier was constantly striving to improve its operations, it would be a good way for Baba Foods to learn as well.

The third stakeholder was certification bodies, although this was naturally only relevant for those companies that belonged to such organizations. Goodio and Jalofoods both mentioned

Fairtrade as an important partner to exchange thoughts with and to learn from. Jalofoods described how Fairtrade had informed them about the situation in Brazil following the forest fires, and as discussed Goodio said they had learned about auditing and other practices from Fairtrade.

Many other stakeholders appeared in the interviews and among those that companies cooperated with on SSCM issues were universities, financiers, NGOs and other external organizations, as well as the media. The examples were quite disparate though and generally only recounted by one or two companies and as such did not stand out as patterns. Nevertheless, they highlighted the fact that, although to varying degrees, most case companies were engaged with numerous stakeholders and took active roles in their own ecosystems. There was also a strong belief among many companies that effective ecosystems were needed to tackle the SSCM challenges in their industries:

> "We are a two-million-euro company and in the grand scheme of things our impact is quite small, but if our mission is to change the whole system then that requires an ecosystem and having many companies involved. This industry has so many huge challenges that even one of the world's biggest companies like Nestle can't just solve it on their own." Goodio

The final source of learning that did not arise from stakeholder engagement, but was equally important, was self-learning. This referred both to the knowledge and information that owners and employees themselves brought to the company, as well as consumption of information from different sources such as newspapers and other publications. As La Muu describes, "I think that it's non-systematic maybe anecdotal in the sense that it's mainly what I as an individual consume in terms of media or magazines or studies or something like that." Most interviewees highlighted their own interest in the topic and the fact that they followed public discourse, read reports and papers, and did ad hoc research when necessary. Across the board, lack of information about sustainability was not considered a barrier for implementing SSCM practices, and most interviewees stressed that they had a good grasp on practices within their industry.

5. Discussion

One of the challenges of evaluating the findings of this research, or any SSCM theory for that matter, is understanding where supply chain management ends and sustainable supply chain management begins. As acknowledged in the theory upon which the conceptual framework was based (Beske and Seuring, 2014) many of the practices described are essentially SCM practices, however when combined with a TBL orientation or applied in a sustainability context, they can also become SSCM practices. Most often it is self-evident whether a practice represents an SCM or SSCM activity, however the difficulty is in evaluating whether an SCM practice can be or is a precursor or gateway to an SSCM practice. Take technological and logistical integration for example. Many of the case companies had some level of integration with partners in their supply chain, however none of these was specifically sustainability related. Thus, one is left with the question of whether this is simply an SCM practice with no SSCM value, or whether the integration can be assumed to potentially facilitate cooperation in the sustainability sphere and subsequently is of value in the SSCM context. The same goes for the closeness of a relationship and enhanced communication – is it only valuable when companies are collaborating intimately on sustainability issues or can close collaboration on e.g. quality issues eventually lead to more sustainability-focused collaboration when the orientation is there? Does having a globally recognized food safety certification make it easier to implement an environmental one?

Although the literature doesn't take much of a stance on this, it seems that the issue is at least partly a matter of perspective and whether the analytical lens is directed toward the present moment or the present and the potential future. Even though in many cases the small businesses were not actively engaging in certain SSCM practices, the orientation and some of the capabilities were clearly there, as was the interest. During the interviews, the answer to numerous inquiries was that the practice in question would soon become a priority or that the company was working to acquire the necessary resources to engage in the behavior. With small businesses in particular, the matter of resources (both time and money) frames and restricts almost all decisions, which again makes it more difficult to discern whether SCM practices could become relevant SSCM practices given a slight increase in resources. In the sample, most of the companies were still very young and in a growth phase, and as such perhaps had access to even smaller resources than similar size companies with a longer history. Had the companies been more established, the findings may

have been different, but with this sample it was certainly tempting to look at the potential as well as the present, given the strong interest in practices that were still a bit out of reach. Nevertheless, the primary research question of this thesis was to understand what practices are being adopted by SMEs in the food industry, including any barriers and motivations, and as such the remainder of this chapter will demonstrate how the study answered this question by looking at the current practices identified in the findings. Additionally, insofar as it is possible, the extent to which existing SSCM literature is applicable to SMEs is considered.

Drivers

The first area of analysis was the motivations and drivers behind the orientations and practices of the firms. It was evident from the get-go that the values of the owner-founder were a key determinant of the sustainability behaviors of the companies, confirming the consensus in the literature (Cassells and Lewis, 2011; Ciliberti et al., 2008; Jenkins, 2006; 2004; Murillo and Lozano, 2006). All eight companies referred to the values of their owner-founder when discussing the roots of their sustainability. However, the interviews showed that several of the companies also considered factors such as competitive advantage, brand image, and efficiency gains, which runs counter to the commonly held idea that SMEs are not motivated by business interests and conversely supports the findings of Pederson (2009) that they can be motivated by either. Interestingly though, risk management was not mentioned even once as a motivator, and in fact risk management as a concept only came up a single time in the interviews in connection with sustainability auditing at Rebel Kitchen. This further promotes the notion that the risk management category found in the original conceptual model is not a relevant way to categorize or understand the SSCM behavior of SMEs.

When looking at the external drivers of SSCM practices, retailers and customers were the only two stakeholders mentioned in the interviews. The stark divide between how companies perceived these external pressures (some did, some didn't) mirrors the literature, where studies show very different results for the existence of stakeholder pressure towards SMEs, particularly from customers (Ciliberti et al., 2008; Studer et al., 2005; Hall, 2001; Hillary, 2000). One of the more noteworthy findings from the study was that retailer pressure was only felt in Finland, and not reported in either the UK, Germany, or Estonia. While the sample size is undoubtedly small, this speaks to the sustainability commitment of Finnish grocery retailers, at least at the policy level.

However, more research would need to be done to gain a deeper understanding of the situation in the other European countries.

The stakeholders more commonly linked to larger corporations such as government, NGOs, the media, and investors did not appear in the interviews. Again, this highlights the fact that the practice of pressure group management, included in the original conceptual model, is not applicable to small businesses. It was interesting to note, however, that the local community and business culture were not explicitly considered a driver, despite the fact that the importance of business ecosystems was later greatly emphasized in regard to learning and stakeholder management. For example, as mentioned, Squirrel Sisters had gotten the idea of becoming a B Corporation from their business community. Lepoutre and Heene (2006) argued for the potency of local community and business culture in influencing small business behavior, and there does in fact seem to be a slight inconsistency between their cited importance on the one hand and their omission from behavioral drivers on the other. It is plausible that their influence is subtle enough that it could not be identified by the interviewees.

Strategic Values

Perhaps the starkest contrast between the literature and the empirical research came when studying the TBL orientations of the case companies. While all the companies exhibited TBL orientations to varying degrees, these did not manifest through the concrete practices described most prominently by Pagell and Wu (2009). The case companies did not have sustainability training for employees, relevant rewards and incentives, or sustainability performance management. Explicit sustainability policies or strategies were also limited to a few of the larger companies. For the most part, such practices were not considered necessary because sustainability had been a founding principle of the company and as such was an inherent part of all operations, and/or the small size made such practices redundant since it was easy to communicate about sustainability goals and strategies within the company without needing to make them explicit policies or practices. Only "sustainability as a part of daily conversation" was found to be broadly applicable. The fact that TBL orientation was less tangible didn't seem to affect the way that it was interpreted by the interviewees, who still regarded it as an important guiding principle. Here it should be reminded that this research does not pass judgement on sustainability outcomes. Although it may be that incorporating e.g. sustainability performance management in the form of KPIs would indicate a

more rigorous orientation with better outcomes, the fact that the companies considered themselves sustainability oriented without these practices is what matters. Thus, the findings signify that the current research on TBL orientation practices is not befitting to small businesses and the notion of how orientation is exhibited needs to be expanded or reconsidered.

Continuing with orientation, the interviews tried to gage the extent to which the case companies were proactive or innovative, based on the idea found in the literature that a proactive or entrepreneurial orientation might allow small businesses to look past the confines of their resources and find creative solutions to sustainability issues (Paulraj, 2011; Pagell and Wu, 2009; Sharfman et al., 2009). This was confirmed to some extent as the companies referred to themselves as agile and flexible, and many had carried out innovative, challenging projects such as moving to non-dairy production. However, there seemed to be quite a big difference regarding the degree to which resources were actually considered an impediment. The larger companies in the sample mostly felt that they could implement anything they wanted to, even though projects might take a bit longer and be less systematic than they might have hoped. The smallest companies on the other hand consistently reported that lack of resources was a major hindrance and made it difficult just to test things out. They had also implemented significantly fewer sustainability practices and projects compared to the larger companies, indicating that even in this size bracket marginal increases in resources can have a big difference. This was consistent with the research of Pederson (2009) who postulated that larger SMEs were more likely to manage their supply chains sustainably than smaller SMEs. The findings thus point toward proactivity and entrepreneurship being relevant orientation factors only to a certain extent and as such it can be misleading to clump small businesses into a homogenous group in this respect. It seems this orientation cannot necessarily help small businesses overcome a significant lack of resources, as was the case with having only a few employees.

Structure

The next category, supply chain structure, included supply chain reconceptualization, continuity, as well as collaboration. Reconceptualization, a practice identified by Beske (2012) and Pagell and Wu (2009) was added to the revised conceptual model to account for the fact that radical change is needed to tackle the environmental and social problems facing the world today. The findings were not conclusive as to the relevance of this category for small businesses, seeing as only one

company had drastically reconceptualized what their supply chain did. There were other instances were reconceptualization was being considered but was not possible due to resource constraints. For example, Baba Foods wanted to move to organic production, but their current production facilities were not suitable, and they didn't yet have the option of building or purchasing a new facility. The findings may indicate cursorily that what reconceptualization is not as common for small businesses owing to resource constraints, however, it should be noted that many of the companies were very young and founded with sustainability in mind, thus it perhaps was just not relevant yet. Nonetheless, the findings did show that among the sample there was still reconceptualization of how the supply chain operates and who is included. Clear patterns arose as direct sourcing and packaging were by far the most frequently cited targets of how reconceptualization and NGOs were most commonly the new stakeholders being included in the chain.

Continuity and its associated practices of partner selection and long-term relationships emerged from the interviews as two of the most important practices for the case companies. Enormous emphasis was placed on the value of close and trusting relationships, supporting Touboulic and Walker's (2015b) finding that the depth and quality of the relationship between a firm and its suppliers is the most commonly cited facilitator of SSCM. This was perhaps even more important for the smallest case companies since they were engaging in few sustainability assessment practices like measuring or monitoring, and as such trust was often a sort of stand-in for more systematic processes. For example, in many cases multi-tier/sub-supplier management was founded on the belief and trust that the first-tier supplier would manage their supply chain sustainably, rather than having auditing practices in place. This meant that companies needed to make apposite choices in their partner selection so as to enable such trust. Similar findings appeared in the literature, where Wiese and Toporowski (2013) argued that the complexity of food chains meant that firms needed to rely heavily on their direct suppliers to manage sub-suppliers. Interestingly, though perhaps not surprisingly, partner selection was largely informal in regard to sustainability criteria and relied mostly on personal chemistry, abstract ideals, and where applicable, certifications. One might view this as a kind of paradox that the criticality of partner selection did not translate into rigorous processes, especially as several papers suggest that having well-developed, strategically oriented sourcing skills can help firms identify suppliers conducive to their long-term sustainability goals (Hollos et al., 2012; Paulraj, 2011). However, again it's not

for this thesis to decide whether the selection processes of the case companies actually resulted in good or bad sustainability outcomes. Several of the interviewees also highlighted the fact that their pool of potential suppliers was relatively small to begin with, which restricted their choices and made strict sustainability criteria seem ineffectual.

It should be noted that partner development, the third continuity practice, was not nearly as relevant for small businesses as partner selection and long-term relationships. While the case companies all indicated their commitment to working through challenges together, only in two cases did this translate into actual partner development. This was another practice where the difference in size between the case companies could be seen, as none of the smaller companies had considered investing into their partners' operations, citing resource constraints. There were also differences in business models since those companies that outsourced both production and sourcing mostly did not have direct relationships with ingredient or other strategic suppliers and thus were not engaged in their development. It might be tempting to completely write off this practice for small businesses, however a further two companies had considered engaging in partner development, which indicates that it might in fact be more relevant than what is expected.

When looking at collaboration between the focal companies and their partners, it was intriguing to notice that the sense of SMEs as the underdog or subordinate party mostly didn't ring true. While there were certainly cases where the case companies felt they had little clout, for example with large packaging manufacturers or logistics companies, the effect of size asymmetry was not felt as strongly as indicated in the literature (Ciliberti et al., 2008; Jenkins, 2004; Mudambi et al., 2004). By and large, interviewees perceived that they had influence and bargaining power in their relationships and could suggest sustainability-related changes should the need arise. This was particularly the case with strategic partners, or those that played a critical role in the supply chain, i.e. manufacturing partners and main ingredient producers. Morrissey and Pittaway (2006) asserted that placing suppliers in high regards in terms of strategic value and relative volume could mitigate the negative factors associated with size, and this did seem to be the case with the focal companies as they emphasized their strategic relationships.

Technological and technological integration related to sustainability was not apparent at all in the findings, however as mentioned at the beginning of this chapter, there were other types of integration amongst the companies and their partners. The findings could not confirm why sustainability integration was not relevant for SMEs, however even in the literature the practice is

quite vague, and few concrete examples are given. In the original conceptual model (Beske and Seuring, 2014), the authors merely state that integration has to extend further for SSCM and cover environmental and technological standards. In her study on SSCM in the Finnish grocery and forestry industries, Pinomaa (2018) identified buyer-supplier and industry technological integration through the use of the Amfori BSCI platform, however as previously mentioned, case companies were not currently using the aforementioned or any similar management systems. Pederson (2009) and Lepoutre and Heene (2006) found that SMEs often have fewer opportunities to benefit from economies of scale in regards to assessment practices, and as such utilizing management platforms like Amfori BSCI could be especially helpful for small businesses since they enable knowledge sharing amongst companies and reduce the risk of work duplication, decreasing individual burden.

Processes

Seven out of eight case companies did not have their own codes of conduct or other internal standards, which supports the similar findings of Williams and Schaefer (2013) and strongly indicates that these are not considered a relevant practice for small businesses. In the one case where an SCoC was in use, the company had an in-house person with extensive experience in large food corporations. Some of the rationalizations for not using internal standards related to their high-level nature and the difficulty of verifying compliance; mirroring many of the common criticisms found in the literature (Pederson and Andersen, 2006; Sethi, 2002; Utting, 2000). However, for the most part, companies hadn't ever really considered the possibility of implementing their own code. Third party standards on the other hand were popular, although primarily as product certifications (Organic, Fairtrade) and not environmental/social management systems (ISO 14001). Where certifications were in use, they were seen as adding substantial benefit in regard to traceability and transparency, indicating that they may be particularly useful for SMEs that might otherwise lack the resources to provide a similar level of SC accountability. There was also mention of the fact that employing certifications like Fairtrade and organic was considered a kind of partner development and auditing practice. This sentiment, that the benefit of standards comes from their embeddedness in the supplier selection criteria and thus the diminished requirement to invest the focal firm's time and resources into the supplier, was found in the literature as well (Koberg and Longoni, 2018; Koplin et al., 2007; Vachon and Klassen, 2006).

The B Corp certification was also fairly common as two companies were currently certified, a third was actively considering it and a fourth was aware of the certification and curious about implementation. The findings showed that B Corp had built a strong small business network and word of the certification was travelling from business to business. The success of this certification vis-a-vis the aforementioned management system certifications amongst the case companies might serve to highlight the need to target and market to SMEs more effectively in order to garner their attention.

In regard to monitoring, the findings indicated that sustainability auditing was still rare and rudimentary, characterized by informality and an emphasis on relationship management. The main challenges were related to a lack of resources, in-house knowledge, and the geographical distances needed to reach suppliers, the latter two of which were evident in the literature as the main barriers (Chen and Lee, 2016; Wilhelm et al., 2016; Pederson and Andersen, 2006). All of the companies most accurately fell into the certification available/process audit unavailable category of Chen and Lee's (2016) supplier responsibility risk management matrix (found on page 31), which helps explain why there was a greater emphasis on one-time certification rather than continued auditing. Where the companies did visit or lightly audit their suppliers, as with partner development, the emphasis was again solely on strategic relationships, supporting Cramer's (2008) research. Overall, it was clear that when the case companies did have the resources to invest in SSCM practices, these were targeted exclusively to strategically important partners such as their main ingredient producers like coconut or cacao. While this was undoubtedly a question of resources, it should also be noted that the companies often sourced their less important ingredients from wholesalers and actually only had direct relationships with their main ingredient producers.

Measuring was an equally rare practice, although it should be stressed that even in the literature practices such as life cycle assessment are considered advanced because they require a significant amount of input data (O'Rourke, 2014). In addition to a lack of resources, for many companies the reasoning behind not measuring was that they believed their overall impact to be very low. While this may be the case, numerous studies have found that SMEs tend to underestimate the social and environmental impact they have (Bradford and Fraser, 2008; Ciliberti et al., 2008; Revell and Blackburn, 2007; Hillary, 2000). However, increased measuring was one of the areas where the companies had the most interest, and several were hoping to implement more systematic measuring practices for carbon emissions or other KPIs in the future. At the

present time, two companies were measuring the carbon emissions of their supply chains as well as offsetting these through third party schemes. Although offsetting was not included in the conceptual model, it might be questioned whether it should be, given that it is an increasingly popular ways of mitigating SC impacts.

Stakeholder management and learning

Proactive stakeholder management was limited in the companies; however, this was fairly logical given the minimal external sustainability pressures they faced. There were a few instances where companies had acted to satisfy the expectations of certain stakeholders, however these were primarily reactions to customer requests rather than proactive efforts to identify demands. Nevertheless, the case companies were still active in their own ecosystems and business communities arose as an important source of information and learning. By attending conferences and business events, and networking with other founders, the companies felt they could expand their knowledge of SSCM practices. This was an interesting finding that makes the case for investing in similar types of forums since they facilitate knowledge-sharing and dissemination. Relatedly, several companies also mentioned that ecosystem-based initiatives or schemes would be helpful in enabling them to tackle sustainability related problems that they didn't have the proprietary resources for.

Barriers

As evidenced by the findings and discussion, resources (money and people) were the primary impediment for implementing SSCM practices in the small businesses, as was the absence of in-house knowledge related to these practices. Thus, mimicking the taxonomy of drivers, barriers were also predominantly internal as opposed to external, e.g. supplier capabilities or consumer demand. In their research on SSCM, Seuring and Muller (2008) posited that the top three barriers were 1) higher costs 2) coordination effort and complexity, and 3) insufficient or missing communication in the supply chain. This thesis concluded that the top two barriers were valid for the case companies, however the third was not as the companies had close, highly communicative relationships with their partners. This dissimilarity may be owing to the fact that while the SMEs had few resources, they also worked with relatively few partners, whereas large companies, despite

their greater resources, might work with a disproportionately higher number of partners, leading to communication difficulties.

While the case companies certainly had barriers to implementing new practices, it was fascinating to find that there were practically no reported sustainability challenges or problems with partners in the supply chain. This was surprising given the internal challenges that the companies faced. It's difficult to say whether this was a result of deliberate emphasis on building long-term, trusting relationships and establishing close communication, or if in fact there were few problems because the case companies did not have the practices in place to identify them. As mentioned, most companies were not engaged in systematic measuring or monitoring practices. This study could not confirm which was the case, however, it doesn't support the argument found in the literature that SMEs are "vulnerably compliant", i.e. that compliance is more an outcome of good luck rather than good judgement (Ciliberti et al., 2008; Petts et al., 1999) or that SMEs are sustainable "without knowing it" (Lepoutre and Heene, 2006). Despite the fact that practices were frequently informal or at rudimentary stages, there was still a concentrated effort to manage the supply chain sustainably.

Final words

While this study refutes some theories and supports others, it could be said that overall the current SSCM literature cannot adequately account for the application of SSCM in the SME context. Many of the SME-related drivers, practices, and barriers, though making an appearance in general CSR literature, have not yet found a place in the literature on SSCM. By empirically studying SSCM in small businesses in the food industry, this study has found that SSCM is in fact not "one size fits all", and that more careful consideration needs to be given to evaluating the suitability of SSCM theories to a range of company contexts.

6. Conclusion

The purpose of this study was to explore SSCM in the context of small businesses in the processed food industry and to gain a sense of whether current literature on SSCM is applicable to this context. A significant research gap was identified as existing SSCM research pertained mainly to larger corporations, while research on SMEs was mostly focused on general CSR rather than SSCM. Owing to the exploratory nature of this study and the lack of prior research, many novel findings were uncovered.

6.1 Main Findings

Firstly, it was shown that small businesses place considerable emphasis on developing close, trusting relationships, particularly with their strategic partners, and that oftentimes this trust is a substitute for other SSCM practices. While a definite causal link could not be determined, the findings indicate that this closeness, bolstered by a focus on longevity and enhanced communication, increased the bargaining power of the small businesses. When more advanced practices such as partner development were implemented, these resources were also directed towards a narrow part of the supply chain, e.g. a single ingredient provider or other strategic partner. Secondly, the study showed that size makes a difference. Practices such as supply chain assessment through measuring and monitoring, partner development, and the ability to overcome resource constraints with a proactive/entrepreneurial orientation were all linked to company size, as larger small businesses implemented more practices. Thus, the findings indicate that small businesses cannot be regarded as a homogenous group. Thirdly, the observed informality and lack of standardization suggest that small businesses do not implement practices in the way that the literature describes, regardless of the importance attributed to them. Partner selection criteria were largely informal, as was the manifestation of TBL orientation within the firms, despite the fact that partner selection was a critical practice and sustainability was an integral part of the companies.

6.2 Managerial Implications

Although the primary objective of the study was to provide theoretical contributions to the field of SSCM, several managerial implications can be inferred from the findings. While one-time

certifications certainly have their valid criticisms and are not an option for all small businesses cost-wise, the findings suggest that certifications are likely the best way for SMEs to "cover their bases" so to speak. Adopting a certification does not necessarily mean that a company will be more sustainable and similar outcomes can be reached in other ways, however, it can ease the burden for a lot of practices that would otherwise be difficult for small companies to implement. For SMEs looking to manage the sustainability of their supply chains more rigorously, certifications offer one viable solution. The findings also highlighted the important role of business communities and events in sharing knowledge about SSCM practices. This has relevant implications for cities, governments, and other organizations that create and facilitate such forums as their usefulness is likely not always easy to measure. It should serve as an encouraging reminder that such forums are needed, particularly by small businesses. Furthermore, the study provides a well-rounded overview of SSCM in small food businesses and as such could serve as a guide for potential investors or other interested parties in the evaluation of SSCM practices in small businesses or startups for example.

6.3 Limitations and Suggestions for Further Research

The study has several limitations that need to be mentioned. As discussed in the chapter on methodology, the chosen sample of companies was very specific in that all the cases were sustainably minded, small-sized (i.e. <50 employees), and bar one, relatively young. Hence, the findings are likely not generalizable to medium-sized companies, older companies, or those without a sustainability focus. Overall generalization should be taken with caution owing to the qualitative nature of the study, which is largely based on the researcher's interpretation of the data. Moreover, the sample size of eight companies is small and cannot fully account for the nuance and heterogeneity of small businesses, and accordingly findings should be considered within the specific context of this study. Additionally, a limitation of the chosen deductive approach is that it may bias the researcher toward directing their attention to empirical observations that are couched in the pre-selected theory (Martin and Eisenhardt, 2010), making observation of practices outside the scope of the conceptual framework more difficult.

Finally, the study also opens up several avenues for additional research. As mentioned in the discussion chapter, only the case companies in Finland felt pressure from their retail customers to adopt SSCM practices. The sample size is too small to generalize for Estonia, Germany, or the

UK, however further research could investigate the policies implemented by grocery trade retailers outside of Finland and whether large and small suppliers are treated differently. Secondly, considering that resources were often found to be a significant impediment, particularly for the smallest companies, research could look into the type of support SMEs would need to adopt more rigorous SSCM. This kind of research could have important real-life implications for small businesses. Lastly, while this study did not assess the sustainability of the case companies, it did raise the question of whether sustainability outcomes may be affected by a lack of assessment practices and the inability to identify sustainability problems in the supply chain. Additional research could move beyond theory to explore the tangible SSCM outcomes in small businesses. Overall, the hope is that this study, by highlighting the unique applications of SSCM in SMEs, will serve as a starting point for researching small businesses in other industries and contexts and with different research methods.

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Appendices

Appendix A. Interview outline (English)

Introduction

- Introduce myself and the research topic.
- Overview of interview method and ethical concerns.
- Confirm the interview schedule and allow for any questions the interviewee may have.
- Turn on the recorder and begin the interview.

Interview method

- The name of the case company will not be mentioned in the study should the company so wish. In this case only the researcher will know what companies were interviewed.
- The job title of the interviewee will be mentioned; however, their identity will be anonymized.
- The interview will be recorded, but the recording and its written transcript are only available to the researcher for the purposes of this study.
- If the interviewee says something that they do not wish to include in the study, they can at any point indicate so and the statement will be retracted.
- There are no wrong or right answers, the purpose of the study is to explore the topic from the point of view of the case company.
- If the interviewee does not know the answer to a question, they may answer to the best of their ability or the question can be skipped.

Interview questions

GENERAL

- Briefly describe the company and your role in the company.
- Give an overview of your supply chain.
- Briefly describe what sustainability means for Company X.

STRATEGIC VALUES

- What does supply chain management look like at Company X? (How many people, what tools, how systematic, etc.)
- Where would you say the company's sustainability orientation comes from?
- How are your employees incentivized/rewarded?
    - Are there any KPIs related to sustainability?
- Is sustainability part of the daily conversation at Company X?
- Has your purchasing/SCM team had any sustainability training? If so, what kind?
- Is the way you manage your supply chain innovative or entrepreneurial in some way? If so, how?

STRUCTURE

- How many partners do you work with?
- How long have you been working with your partners?
    - What size companies are they?
    - Do you intend to consolidate the number of partners you work with or have you done so?
    - Do you notice any difference in your relationships with older/newer or larger/smaller partners in terms of sustainability?
- How would you describe your company's relationship with your partners? How close is it?
- How do you choose your partners?
    - What kind of criteria do you use?
- Do you have relationships with suppliers beyond the first tier?
    - Can you have a say in who your sub-suppliers are?
    - How do you manage sustainability beyond the first tier?
- Overall how much influence would you say you have over your partners' operations?
- Do you have any integrated technological/logistical infrastructure or processes with your partners?
- Have you ever invested into the operations of a partner? (capital, training, etc.)
- What do you do if a partner is not capable of delivering according to your sustainability needs?
    - Can you give an example of when this might have happened?
- What kinds of sustainability-related challenges do you have with your partners?
    - Which of these is the most challenging? Why?
    - How do you overcome these?

PROCESSES

- How frequently do you communicate with your partners?
    - What kinds of sustainability-related things do you communicate about?
- Do you have any joint development projects with your partners?
    - If so, what kinds of things do you collaborate on together?
- Do you use a SCoC or another similar standard?
    - If so, how far into the supply chain does it go?
    - How do you enforce its use?
    - If not, is something impeding you from doing so?
- Do use any other kind of third-party standard or certification?
    - If so, why did you choose the specific management systems (e.g. standards/certifications) you have?
    - What are the strengths or weaknesses of the system?
    - If not, is something impeding you from doing so?
- Do you audit your partners?
    - If so, describe the auditing process, who audits, what parts do you audit and why?
    - What happens if a partner is not acting according to the agreed terms?
    - If not, is something impeding you from doing so or is there a part of the supply chain you can't access?
- How do you assess the sustainability performance of your supply chain? Products?

    - Have you used life cycle analysis or similar methods?

DRIVERS, STAKEHOLDER MANAGEMENT AND LEARNING

- What stakeholders do you engage with in regard to sustainability/SSCM? (NGOs, government, competitors, customers, investors, media, etc.)
    - How do you engage with them? Can you give examples?
- What impact do stakeholders have on your sustainability strategy/supply chain management?
- Have you perceived/received any sustainability-related requirements from your stakeholders?
    - If so, concerning what?
- How do you acquire information on sustainability and SSCM practices?

BARRIERS

- Are there any sustainability measures or practices that we didn't yet talk about that your company would like to undertake, but isn't able to?
    - What resources would you need in order to implement them?
- How do you view your company size in terms of SSCM? Is it a positive or a negative and in what ways?

Appendix B. Interview outline (Finnish)

Esittely

- Esittelen itseni ja kerron tutkimusaiheesta.
- Käyn läpi haastattelukäytännöt ja eettiset seikat.
- Vahvistan haastattelun aikataulun ja kysyn, onko haastateltavalla kysymyksiä.
- Laitan nauhurin päälle ja aloitan haastattelun.

Haastattelukäytäntö

- Case-yrityksen nimeä ei mainita tutkielmassa, mikäli yritys ei sitä halua. Tässä tapauksessa ainoastaan tutkija tietää, mitä yrityksiä on haastateltu.
- Haastateltavan titteli mainitaan, mutta henkilöllisyys anonymisoidaan, eli se ei selviä tutkimuksesta.
- Haastattelu äänitetään, mutta äänite sekä siitä kirjoitettu transkriptio jäävät vain tutkijan käyttöön.
- Jos haastateltava sanoo jotain, mitä hän ei haluakaan otettavan mukaan analyysiin, voi hän missä tahansa vaiheessa mainita tästä.
- Haastattelussa ei ole oikeita eikä vääriä vastauksia, vaan tarkoitus on tutkia aihetta case yrityksen näkökulmasta.
- Jos haastateltava ei tiedä vastausta kysymykseen, voi hän joko vastata parhaan tuntemuksensa mukaan tai kysymys voidaan ohittaa.

Haastattelukysymykset

YLEISTÄ

- Kuvaile lyhyesti rooliasi yrityksessä.
- Anna yleiskatsaus teidän toimitusketjusta.
- Kuvaile lyhyesti mitä kestävä kehitys/vastuullisuus tarkoittaa teidän yritykselle.

STRATEGISET ARVOT

- Miltä toimitusketjun hallinta näyttää teidän yrityksessä? (Kuinka monta henkilöä, kuinka järjestelmällistä, mitä työkaluja, yms.)
- Mistä teidän kestävä kehitys suuntautuminen mielestäsi juontaa juurensa?
- Miten teidän työntekijöitä insentivoidaan/palkitaan?
    - Onko teillä vastuullisuuteen liittyviä kpi-mittareita?
- Onko vastuullisuus osa jokapäiväistä keskustelua yrityksessänne?
- Onko teidän hankinta/toimitusketju työntekijöillä ollut minkäänlaista vastuullisuus koulutusta?
    - Jos on, millaista?
- Näkyykö innovointi tai yrittäjähenkisyys mielestäsi toimitusketjunne hallinnassa jollain tavalla?

RAKENNE

- Kuinka monen toimittajan/kumppanin kanssa toimitte?
- Kuinka kauan olette toimineet näiden toimittajien/kumppaneiden kanssa?
    - Minkä kokoisia yrityksiä toimittajanne/kumppaninne ovat?
    - Onko teillä tavoitteena vähentää kumppanien määrää, tai oletteko jo tehneet niin?
    - Huomaatteko jotain vastuullisuuteen liittyvää eroa suhteissanne uudempiin tai vanhempiin toimittajiin? Entäs isompiin tai pienempiin?
- Miten kuvailisit suhdettanne eri toimittajiin/kumppaneihin? Kuinka läheinen se on?
- Miten valitsette kumppaninne?
    - Millaisia kriteereitä käytätte?
- Onko teillä suhdetta toimittajienne toimittajiin?
    - Voitteko vaikuttaa siihen kuka on toimittajan toimittaja?
    - Onko teillä tapoja varmistaa kestävän kehityksen mukaista toimintaa toimittajien toimittajilla?
- Yleisesti ottaen, kuinka paljon vaikutusvaltaa sanoisit, että teillä on kumppaneidenne toimintaan?
- Onko teillä yhteistä teknologista tai logistista infrastruktuuria tai prosesseja kumppaneiden kanssa?
- Oletteko koskaan investoineet kumppanin tai toimittajan toimintaan (esim. rahaa tai koulutusta, yms.)
    - Jos olette, miten ja miksi?
- Mitä teette jos toimittaja/kumppani ei pystykään vastaamaan teidän vastuullisuuteen liittyviin tarpeisiin?
    - Osaatko antaa esimerkkiä tilanteesta, jossa näin olisi käynyt?
- Millaisia vastuullisuuteen liittyviä ongelmia tulee toimittajan/kumppaneiden kanssa?
    - Mitkä näistä ongelmista on mielestäsi haastavimpia? Miksi?
    - Miten kohtaatte nämä haasteet?

PROSESSIT

- Kuinka usein kommunikoitte kumppaneidenne kanssa?
    - Millaisista vastuullisuuteen liittyvistä asioista te keskustelette?
- Millaista yhteistyötä teette toimitusketjussa olevien toimijoiden kanssa? Onko teillä jotain vastuullisuuteen liittyviä yhteishankkeita?
    - Jos on, millaisia?
- Onko teillä käytössä Supplier CoC tai jokin muu vastaava oma standardi?
    - Jos on, kuinka pitkälle toimitusketjuun se ulottuu?
    - Millä tavoin varmistatte, että toimitusketjussa noudatetaan Supplier CoC -
    - ohjeitanne?
    - Jos ei oli, minkä takia?
- Onko teillä käytössä jokin muu kolmannen osapuolen standardi tai sertifikaatio?
    - Jos on, miksi valitsitte juuri tämän järjestelmän?
    - Mitkä ovat tämän järjestelmän vahvuudet ja heikkoudet?
    - Jos ei oli, minkä takia?
- Auditoitteko te kumppaneitanne?
    - Jos auditoitte, voitko kuvailla auditointi prosessia; kuka auditoi, mitä osia toimitusketjustanne ja miksi?
    - Mitä tapahtuu jos kumppani ei toimikaan sovittujen sääntöjen mukaisesti?
    - Jos ette, estääkö jokin teitä tekemästä niin, tai onko jokin osa toimitusketjua joihin teillä ei ole pääsyä?
- Miten mittaatte toimitusketjunne/tuotteidenne vastuullisuutta?
    - Oletteko käyttänyt ‘life cycle analysis’ tai muuta vastaavia metodeja?

AJURIT, SIDOSRYHMIEN HALLINTA JA OPPIMINEN

- Millaisten eri sidosryhmien kanssa toimitte liittyen vastuullisuuteen ja millä tavalla? (Esim. järjestöt, hallitus, kilpailijat, asiakkaat, sijoittajat, media, yms.)
    - Voitko antaa esimerkkejä?
- Onko sidosryhmillä ollut vaikutusta teidän vastuullisuus tai toimitusketjun hallinta strategiaan?
- Ovatko sidosryhmät asettaneet teille jotain vastuullisuuteen liittyviä paineita tai toiveita? Millaisia?
- Mistä saatte tietoa vastuullisuudesta ja siihen liittyvistä toimitusketju käytänteistä?

ESTEET

- Tuleeko vielä mieleen jotain vastuullisuuteen liittyviä käytäntöjä, joita haluaisitte toteuttaa, mutta ette tällä hetkellä pysty?
    - Mitä resursseja tarvitsisitte näiden toteuttamiseksi?
- Miten te näette firmanne koon suhteessa vastuulliseen toimitusketjun hallintaan? Onko se positiivinen vai negatiivinen asia ja millä tavalla?